

Spotlight

HOUSING: ROOM FOR IMPROVEMENT

Sadiq Khan / Justin Madders MP / Kevin McCloud



GRIMSHAW



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Housing's crisis is a bonanza for a lucky few



Under the long-term incentive bonus plan agreed by Persimmon, the UK's second-largest housebuilder, last week, the company will pay its CEO Jeff Fairburn a bonus worth £75 million in shares. This figure was negotiated down; Fairburn's original payout was at one point valued at over £128m. Persimmon's finance director, Mike Killoran, and managing director, Dave Jenkinson, will take home £54m and £38m respectively. The *Guardian* pointed out that Fairburn's bonus alone would build 1,375 homes – enough for an entire new town of council houses.

But while MPs and peers were quick to condemn Fairburn's bonus – Vince Cable called it “obscene”, while Rachael Maskell called it “disgraceful” – it was made possible by government policy. Persimmon's share price has more than doubled since the launch of the help-to-buy scheme five years ago. Along with other major housebuilders, Persimmon has made huge gains from a system in which home ownership is the only statistic that seems to matter to government. Housebuilders build relatively small numbers of cheaply-made houses and sell them – accompanied, sometimes, by leaseholds and spiralling ground rents – and the government lends people desperate to escape high rents the money to buy them in the hope that the market will somehow iron things out. At the same time, government upholds the planning policy that makes it profitable for those same housebuilders to hoard tens of thousands of plots of land without building on them, crowding smaller developers out of the market and reinforcing their position.

It's easy to rail against a huge bonus for a property boss in the midst of a housing crisis, but Fairburn is running a business, and running it well; Persimmon has paid its investors £4.1bn since 2012. New and effective policy is a more difficult response, but it is the only thing that has any chance of making a difference.

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The housing crisis is London's biggest barrier to progress



**Mayor of London
Sadiq Khan
outlines his
new blueprint
for affordable
homes in the
UK's capital city**

The only way we will ever truly fix the housing crisis is through a step change in national action.

We need a significant increase in investment from the government, far greater powers to free up land for homes, and changes to enable councils and mayors to build many more affordable homes. However, despite the limits on what we can do in London, we are already beginning to turn things around.

The housing crisis is the biggest barrier standing in the way of Londoners fulfilling their potential and sharing in our country's prosperity. Yet the government is still completely failing to act in a way that matches the scale of the human consequences.

As the Mayor of London, I hear countless personal stories and experiences from Londoners who are suffering from the many knock-on effects of the housing crisis. From vulnerable tenants who have found themselves at the mercy of rogue landlords, to those who have been plunged into poverty because of soaring rents, and from children growing up in chronically overcrowded houses to those who fear

they will never be able to buy a property they can call home.

We should never forget this human toll. It's why a lack of decent affordable housing registers at the very top of Londoners' concerns, and it's why I've made tackling the housing crisis a priority from day one of my time in City Hall.

Londoners know better than anyone that there has been a systematic failure for decades now – under successive governments – to build enough new homes that are genuinely affordable to ordinary Londoners. But the situation has got even worse since 2010.

The amount of money invested in building new affordable housing in London peaked in 2010 at £1.75bn – that was the last year Labour were in power in Westminster. Since then, the Tories have slashed London's affordable housing budget to less than a third of that figure – just £500m a year.

New City Hall research shows that to meet the housing targets in the new London Plan, we would need to increase that figure to somewhere in the region of £2.7bn a year – more than five times current spending levels.



Riverside apartments next to the Thames Barrier, London



London's population will reach 11m by 2041

SHUTTERSTOCK/WEI HUANG

This systemic and historic underinvestment was compounded by the terrible approach to housing taken by the previous Mayor of London. Under Boris Johnson, funding for new homes at social rent levels fell to zero and rough sleeping doubled. In his last year in office, just 13 per cent of homes given planning permission were affordable – and that's using his discredited definition of what an "affordable" home is. I'm using all the powers at my disposal as mayor to clear up the mess I inherited and we have already taken some big steps forward.

We have increased the number of genuinely affordable homes in planning applications to 38 per cent in the first half of last year, and I've committed to a long-term target of 50 per cent of all new homes built being genuinely affordable.

We have secured major investment from government to build new homes based on social rent levels, as part of an overall package for 90,000 new and genuinely affordable homes. And we are introducing new measures to help those who feel they have no choice other than to sleep rough, to crack down on rogue landlords, and to support councils taking

action when speculative investors leave properties empty.

I'm also simplifying the overly complex rules around planning. My new draft London Plan – the blueprint for the capital – includes new measures to boost the number of new and affordable homes built every year. It offers a fast-track route to planning permission if projects reach a minimum of 35 per cent affordable housing – or 50 per cent on public land. I've also ditched the old guidelines that limited density, made it easier for small developers to build more homes on small sites, and set ambitious targets for councils across the capital to roughly double their current rate of homebuilding.

This is solid progress. But London can't tackle this problem alone. We need central government to step up to the plate and go much further, much faster. They can't ignore this crisis any longer.

London's population is forecast to grow rapidly – reaching nearly 11 million by 2041. To plan for this growth – and deal with the current chronic shortfall of affordable homes – London needs to build 66,000 new homes a year. This is almost double the number of homes currently being built and will require major new investment, alongside new powers and resources for London's councils and City Hall.

There is no way we can rely on the private sector alone to deliver on this kind of scale. For too long we've seen developers building luxury flats for wealthy investors, rather than the homes Londoners desperately need.

What we need is a real boost in funding from central government for affordable homes, and for councils and City Hall to be given the powers we need – including freeing councils from borrowing restrictions – so we can once again build council homes in greater numbers.

The housing crisis is hurting many lives and leading to greater inequality – setting people back for decades. Fixing this problem is key to creating a better, fairer, more inclusive London. I'm optimistic that we can do it, but it's high time the government stepped up and played its part.

The UK's antiquated system of home ownership puts millions of leaseholders at the mercy of unscrupulous landowners, writes **Justin Madders MP**, who this year launched the Leasehold Reform Bill

Fixing housebuilding's biggest scam



It has been described as “the PPI of the housebuilding industry” and has emerged as one of the biggest industrial-scale rip-offs of recent years. Countless homeowners have discovered, due to a combination of greedy developers, sloppy lawyers and government inertia, that they are not in fact, homeowners at all. They are leaseholders and under the terms of the lease, they are charged an annual ground rent, which in some cases, doubles every five or ten years, which can render the property unsellable.

The ground rent, it should be pointed out, is separate from and often in addition to a service or maintenance charge, as the person living in the house gets absolutely nothing in return for their annual payments. These charges have been completely exposed as being nothing more than a cash cow for the freeholders.

The government's recent consultation on ending unfair leasehold practices has recognised the seriousness of the problem by proposing an outright ban on the sale on new homes on a leasehold basis. That is welcome and can't come soon enough, but it leaves open the situation of the thousands of people currently trapped in their homes because the toxic leases they have signed are unsellable.

Many, but not all, of the buyers knew that the property was being sold to them on a leasehold basis. However, very few were fully aware of the finer detail of what they were signing up to. Almost all were left with the impression that they would have first refusal on the freehold of the property and that it would be possible to purchase the freehold for a reasonable price. However, the figures that were quoted for the purchase of the freehold by the salespeople working for



the developers bear little relation to the costs that people were quoted later on, because shortly after they moved in, the freehold of their property was sold, without their knowledge or consent, to a third party that they had never heard of. In many cases, the freehold to their house was moved offshore, so that what they had thought was their home became the property of a string of shady companies operating from a tax haven.

When those living in their leasehold home enquire whether the new freehold owner is willing to sell them the freehold of their home, they are often told no. Sometimes, they receive no response at all. Such responses are not consistent either: neighbours in almost identical houses in my constituency have been quoted wildly different prices to purchase their freeholds.

When the leaseholder eventually receives a quote for purchasing the

freehold, they are often quoted an astronomical sum and are told that it is non-negotiable. These quotes are always many times higher than any figure the developer's sales staff had told them.

The same has been true when residents of a block of flats have collectively sought to purchase their freehold and take responsibility for the shared areas themselves. If the leaseholder does wish to proceed with purchasing the freehold they then enter the convoluted and expensive process called enfranchisement.

The provisions of the lease often require the person wishing to buy the freehold to pay the freeholder's costs in dealing with the application. Currently, too many leaseholders are prevented from exercising their rights because they cannot afford to do so. One recent example was of a retired couple paying £38,000 to buy their freehold. Such

people are being ripped off when they first buy the house, and then ripped off again when they try to buy the freehold.

The Law Commission have been tasked with coming up with a solution to enable people to buy their freeholds more easily but it may be some time before they respond. That is why I introduced my own Private Members Bill, which contained proposals to assist the thousands of people around the country who feel trapped in their own homes.

The Bill's first aim is to introduce a simple and fair scheme, with a clear and transparent statutory pricing model, where the amount for a leaseholder to purchase their freehold would be capped at no more than ten times the annual ground rent. Such a system would involve a simple formula for calculating the value of the freehold and this would be set out in statute so that everybody knows at the outset what they are dealing with.

The Bill's second provision seeks to rebalance the awarding of costs at leasehold property tribunals. The system as it stands reinforces the existing imbalance of power between the leaseholder and freeholder, and the Bill ensures that a leaseholder will not have to pay the freeholder's costs just to enforce their own rights under the lease. Whether its through my Bill or government legislation the need for a new system along these lines to be introduced must be a political priority.

When people bought their houses, they thought they were doing just that – buying their home. They never contemplated for a moment that the true owner of their home was actually someone they might never know the identity of, who could then sell on their interest in the property to somebody else without their knowledge or consent. We need to give people the chance to escape that trap fairly. Greedy speculators have taken the feudal law of leasehold and applied rocket boosters to it to line their own pockets. Change cannot come soon enough.

The potential of Build to Rent in a housing crisis

Overcoming London's housing shortage demands greater pragmatism, honesty and creativity from all sides, argues **Craig McWilliam**, chief executive of Grosvenor Britain & Ireland

London is growing as fast as in any period since the 1800s. Over 10m more people will live in London by 2030; the equivalent of adding a town the size of Bath every year. It's putting pressure on our infrastructure and quality of life.

Compounding the issue, only 30,000 homes are being delivered a year as more people become priced out.

The capital's response, more homes for a wider range of people, will only be successful with bold public sector leadership led by vision and an honest depiction of the trade-offs. Our civic leaders should be judged not just on the number of homes built, but also on the quality of those neighbourhoods.

The embryonic Build to Rent (BtR) sector has enormous potential to bring more affordable homes, within large integrated communities supported by better amenities, for a broad range of Londoners. It can also bring homes to the market more quickly than traditional "housing for sale" schemes.

There is substantial private capital looking to invest in the UK: £30bn in the next five years according to the BPF. In tandem, London's government has the powers needed to attract that capital to fund many new rental homes.

To be really effective we need robust place-making leadership in three areas.

Firstly, we need a clear and deliverable London-wide policy to give impetus to the sector. Investors and developers often don't know where they stand in London, which constrains investment.

We welcome the Mayor's work to

explain BtR policy, including recognition in his draft London Plan that the economics of BtR is different to housing for sale. It boldly argues discounted market rental homes should be viewed as affordable housing.

Secondly, we need to improve the quality of the debate. BtR development won't be able to deliver the same percentage of affordable or social rented homes as housing for sale. It is not a silver bullet for the housing crisis.

The Mayor already recognises this difference but I would question if the public, our residents of the future, understand this. The descent of the housing debate into a stand-off between developers and communities threatens to stall the delivery of more homes, aggravating today's issues.

So thirdly, we need a new public narrative on what is affordable housing. At the moment, we've got a planning system that fails too many on low and middle incomes. Too often the traditional sales model has created polarised outcomes where homes are only available to the few who can afford them, or to those allocated social rented accommodation. BtR can meet the needs of those on low and middle incomes with market and discounted market rental homes accessible to many more than homes for sale.

Nevertheless, BtR developments will, in all likelihood, not be a significant source of social rented housing so we need a broader conversation about the definition and accessibility of affordable housing.

Success on all these counts is predicated on bold public sector leadership. The Mayor and civic leaders should engage Londoners and local authorities in the full set of choices available.

The opportunity, and the cost, is too great to ignore. The BtR sector can only help alleviate the issues if it is underpinned by bold, public sector, place-making leadership that comes with a compelling vision and enables an honest discussion of the difficult decisions that have to be made.

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Creating a culture of construction quality

Quality must be at the heart of the UK's construction programme, says **Paul Nash**, chair of the Chartered Institute of Building's Construction Quality Commission

In early 2017, a YouGov survey for the housing charity Shelter found that 51 per cent of homeowners of recent new builds in England had experienced major problems. As if to underline this, Bovis Homes announced that it was setting aside over £7m to compensate buyers and rectify defects in new homes. The resignation of their CEO and an apology from their chairman probably did little to comfort those who, having been offered incentives to accept completion certificates on unfinished homes, found themselves living in homes that were riddled with defects. There was only one conclusion: quality was being sacrificed to achieve targets.

A year on and Bovis now insist that the quality of their homes has improved due to a slowed down build rate, although this does beg a question. How, at a time when the government's stated aim is to deliver 300,000 new homes per year, is the sector going to deliver quantity without compromising on quality?

Quality is not just an issue that affects the housing sector. Last year the independent inquiry into building defects that led to the emergency closure of seventeen schools in Edinburgh following the collapse of a wall at Oxfgangs School published its findings. It laid bare the failings of those responsible for construction as well as the consequences that could have resulted were it not for timing and luck. Much of the reporting focused on the shortcomings at a trade and supervisory level, but there are many unanswered questions about the role of those responsible for commissioning, directing and managing these projects.

Whilst the majority of the industry's professionals undoubtedly work to high ethical standards, recent events suggest there is cause to be concerned. And it is a situation which has consequences, not just for the reputation of this industry, but for those who work within it.

As the professional body responsible for construction management, the Chartered Institute of Building has a duty to respond to the issue of quality, acting in the public interest. Last year we established a Commission to investigate the issue of quality in construction and identify what improvements are necessary to achieve the required standards of quality in the product, the people and the processes that we use.

Central to this is the need to better understand the behaviours, both individual and corporate, that are promoting or preventing the delivery of quality on construction projects. A recent call for evidence is helping us to better understand this.

And in conjunction with academia and training organisations, the Commission is focusing on what needs to be done to educate those involved in designing and constructing buildings on what quality is and how to deliver it.

When the industry gets it wrong the impact on the quality of people's lives is real and immediate. Just ask the new home buyer trying to get their builder back to remedy defects a year after they've moved in.

This is a great industry, responsible for creating the buildings and infrastructure that the UK economy relies on, the places that people live, work and play in, the infrastructure that supports them and the services that sustain them.

As professionals we have a duty to the industry and wider society to act responsibly and ethically. Importantly, we have a responsibility to those who use the buildings that we help to create, improve or maintain.

This means building not just for today, but for posterity. We must develop and foster a culture of quality, instilling pride into what is built and creating a legacy for future generations.

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The government's failure to spend on social housing has created an opportunity for funds. Is this ethical investment, or creeping privatisation? Augusta Riddy asks those involved

Social housing joins the stock market



Civitas Social Housing PLC launched on the stock market in November 2016, making social housing a formal investment opportunity for private investors. To date, the fund has invested around £400m of equity in social housing in 101 local authority areas, covering roughly 2,500 tenants. “We wanted to build a public fund that was evergreen, and would provide long-term equity to the [social housing] sector,” says chief executive Paul Bridge. “There’s an enormous demand for social housing that’s been unmet.”

Social housing is let on a secure basis, at low rents, to those struggling to meet housing costs. Registered providers of social housing are usually local authorities or housing associations, which are regulated and receive funding from the Ministry of Housing, Communities and Local Government. The National Housing Federation blames

heavy cuts to grants for social landlords, in part, for the housing crisis. Pledged government capital for these homes has fallen from £11.4bn in 2009 to just £5.3bn in 2015. In 2016, 37,985 “affordable” homes were built, compared to 53,917 in 2009. At the end of last year, over a million people were on waiting lists for this type of housing.

The funding gap has created a unique market opportunity for investment funds. Through this process, a fund will buy the land and the homes on it from the local authority or housing association, leasing the properties back to them. The registered provider continues to manage the property interface, including administration, rent collection, upkeep and so on. Revenue is raised directly through rents on the properties.

Civitas promises investors a five per cent return per annum. Although this is a modest dividend, it is highly secure.



“This [investment] is safe and ethical; [it] isn’t a high-return vehicle; it’s about longevity of income,” explains Bridge.

John Butler, policy leader at the National Housing Federation, says that “housing associations are seen by investors as safe, secure investments with assured returns and a zero default record.” It may be a safe bet for investors, but is it a secure way for registered providers to raise capital? “It is for individual housing associations to assess the risks associated with any new types of funding they take on. These will be bilateral contracts between any organisation that enters into this funding arrangement and the investor,” maintains Butler. The terms contained within those bilateral contracts are unknown, but will inevitably have a fundamental effect on the provider-investor relationship in future.

The Civitas business model is centred

on long-term investment. Its focus is housing vulnerable residents with particular needs, such as learning difficulties or dependency issues. “That’s why we sign a long-term lease. Yes we are a fund, but we’re housing people that are vulnerable. They need long-term security,” says Bridge. However, like any market player, the funds are not immune to its forces. What if they had to back out of a project? “If the property couldn’t be let, we would have to let it to other client groups,” he admits. “But we really think that won’t happen.”

When questioned about guarantees for investors, how revenue was raised, and what would happen if the returns weren’t high enough, the National Housing Federation admitted they were “not sure” on these points, and advised that we ask a fund instead. Butler conceded, however, that overall state investment would be preferable. “Increased levels of state funding in the form of social housing grants would provide more stability for the sector and would lead to higher levels of development.”

Following the example set by Civitas, social housing investment fund Residential Secure Income plc (ReSI) floated on the stock exchange in June 2017, raising £180m in its initial public offering. Joint chief executive of TradeRisks Jon Slater, the umbrella company that manages the fund, says ReSI is helping to plug a capital hole for registered providers under pressure to build homes. “Until recently there have been very limited ways for private sector capital to participate in the opportunity.”

ReSI claims, like Civitas, to be in this for the long haul. “ReSI aims to hold properties indefinitely rather than attempting to realise capital gains through a sales strategy,” says Slater. And what if the returns aren’t enough? “There is no recourse back to the registered provider if the investment does not meet our initial assumptions,” he insists. “We aim to mitigate our risks across the portfolio by having a large and diversified mix of exposures.” This aim does not provide the same assurance as state funds.

Professor Christine Whitehead from

the London School of Economics says that state funding in the form of a grant is “obviously” more secure, but points out that government could modify the terms of repayment, creating a “different form of uncertainty” that could affect investors. And what if investment firms don’t make adequate returns on a project? “They move out,” she says simply, suggesting that a firm would back out of a project.

The lack of funding that helped to foster this new relationship has been criticised across the political spectrum. Sajid Javid, Secretary of State for Housing, broke away from his own party to call on Philip Hammond to borrow more money to invest in new affordable homes, stating that “without affordable, secure, safe housing we risk creating a rootless generation, drifting from one short-term tenancy to the next.”

Housing associations and local authorities are facing a dilemma, Butler points out. “In 2010 the government decided to halt funds to social rent. The current government has announced an ambition of building 300,000 new homes a year. We share this ambition, but [housing associations] need the funding to match.” Registered providers need capital to build homes, and funds like Civitas are offering it.

The combination of private investment and social housing poses a PR challenge. “There’s a lot of headline risk in [the possible story of] people being thrown out of their homes to fund City investors,” says Andrew Summers, head of fund research at Investec Wealth, which holds nearly 20 per cent of the shares in Civitas.

So far only a handful of funds have a this focus, but Bridge reckons there is plenty of interest. “There are 1500 housing associations to partner up with, and there’s a lot of need, so I think there’s room for lots more funds.” As the housing crisis rages on, and government funding remains elusive, registered providers will pursue various routes that enable them to build the homes that are so desperately needed. As such, Civitas will continue to explore this surprising market niche. “We want to work in every local authority in England and Wales.”

Why architecture is embracing the “time for timber”

Timber-framed houses are lighter, cheaper to build and more energy-efficient. Rohan Banerjee talks to leading architects and developers about why wood is making a comeback

If the 17th century was the age of stone, the 18th was the peak of brick building, and the 20th was built on concrete, then the 21st century, according to Alex de Rijke, should mark “the time for timber”. The director of London-based architecture firm dRMM, which has been working with the material for over a decade, believes that products such as cross-laminated timber (CLT) – a wood panel product made from gluing layers of solid-sawn lumber together – are on course to disrupt the building industry forever. “Timber,” de Rijke told *Dezeen*, “has significant advantages over steel, concrete or masonry construction in terms of its environmental credentials, speed, weight, and structure.” And if the rising number of mass timber projects – taller buildings with CLT frames, sometimes called “plyscrapers” – is anything to go by, then it would appear that de Rijke is not alone in his thinking.

He credits a historical reconstruction project as one of the main reasons for wood making its comeback on the building scene. Shakespeare’s Globe

in the London borough of Southwark, was rebuilt in 1997. According to de Rijke, it forced architects, engineers and planners to reconsider applying timber framework and helped to instil confidence in its use safely and sustainably for complex public buildings and for future housing developments.

CLT, developed in Austria in the early 1990s, has since steadily achieved mass adoption throughout the international architecture trade. This is partly due to the green building drive and widespread aim to make houses or public spaces more energy-efficient. The material is produced off-site in a factory from sustainably sourced timber. It is also much lighter which allows for reduced slabs. Furthermore, the accuracy with which CLT panels can be cut and routed and the inherent structural properties allow for a huge amount of flexibility.

Andrew Waugh, director of Waugh Thistleton Architects (WTA), is thrilled that wood is making its comeback and says that mass timber buildings weigh “as little as a one-fifth of concrete

Dalston Lane is the world’s largest CLT complex





Pre-fabricated panels minimise the risk of waste

structures”. As a result, he adds, mass timber buildings are a potential solution for construction in dense urban situations. WTA recently completed work on Dalston Lane, a 121-unit CLT mid-rise block of flats located above a Eurostar tunnel in Hackney.

Built with timber engineering specialists Ramboll, Dalston Lane is a group of stepped towers, the tallest of which rises ten stories. CLT panels were used for the external, party, and core walls of the building, as well as the stairs and the building’s floors. The architects’ use of CLT resulted in a lighter building that allowed the designers to build further up without extensive foundations. The final building, with its staggered tower sizes, Waugh says, maximises exposure to daylight in each apartment. The added height allowed the architects to add 50 more units to the project than originally permitted, which Waugh notes is “a testament to just how light CLT can be”.

Weight aside, Waugh says that wood is more energy-efficient. “We came to using it at WTA mainly for environmental

reasons. Concrete and steel are big polluters.” Waugh adds that wood’s insulating properties also make buildings cheaper and greener to heat. “If you were in the snow and you hugged a tree, it wouldn’t be as cold [if it wasn’t snowing]. If you touched a lamppost in the cold, it’d be freezing. If you do the same thing in the summer, the tree wouldn’t be hot, but the lamppost would be. So you’re looking at wood having a much smoother thermodynamic. It insulates better; you don’t need to heat it up or cool it down as much. If you wanted a machine that soaked up carbon dioxide and released oxygen, that’d be a tree.”

Timber buildings, Waugh claims, involve much less waste than concrete construction. Dalston Lane was shortlisted for the *Architects’ Journal’s* Most Sustainable Project Award in 2017 and he says that this is one of the project’s most notable achievements. “It’s a third faster to build [using timber] and the pre-fabricated panels, which can be made to the millimetre, mean that there’s little to no waste. Government figures show about a third of the materials that arrive on a construction site using concrete, for example, tend to get sent to a landfill.” According to the Department for Environment, Food and Rural Affairs, the UK generated 202.8m tonnes of total waste in 2014 – over half of which (59.4 per cent) was owed to construction, demolition and excavation.

Dalston Lane, as well as saving waste, actually adds to the natural environment. In accordance with regulations set by the Forest Stewardship Council (FSC), it plants five more trees to replace every one used in the project. Waugh continues: “We’ve made sure that we are FSC-compliant. In Austria and parts of Scandinavia where we source the trees from, there were massive pine plantations made for paper. But as the world became more digital, those plantations weren’t being used as much. So we found a way of using and maintaining the forests to help with our CLT building.”

In Leeds, green housing developer Citu is also embracing timber. Citu’s Climate Innovation District, a planned cluster of low-carbon homes, earmarked

Fuel poverty is directly linked to quality of housing stock

for completion in the summer of 2021, is being built, according to the company's founder Chris Thompson, with the UK government's Clean Growth Strategy in mind. "Energy-efficient housing," Thompson says, "is a sector which is set to grow over the coming years if you consider the fact that the UK's buildings account for almost half of the nation's greenhouse gas emissions, and the government is looking to reduce emissions by 80 per cent by 2050."

The Climate Innovation District, which straddles the River Aire in Hunslet, an inner-city district of Leeds, will feature over 500 low-carbon dwellings, including apartments and houses, alongside leisure facilities and offices, as well as a purpose-built factory for the project. The prefabricated timber-framed Citu Home, developed in partnership with Leeds Beckett University, will be available in a mix of one, two, three and four-bedroom versions.

Like Waugh and de Rijke, Thompson views timber as a super material. "Trees sequester carbon in their growth," he says, "and by using sustainable timber, we are capturing carbon and locking it into our buildings. This is in contrast to other materials that are heavy in carbon in their production. In addition to the carbon factor, it's a great material to build with – it's readily available, cost-effective and easy to use."

"The construction industry has struggled," Thompson says, "with productivity improvements for decades." This is mainly due to the consistency of product and the lack of investment in processes due to short-term cycles. Industrialising this process changes this and shifts the focus onto designing buildings as systems. It changes the way buildings are detailed long before they see a man with a hammer. "In new prefabricated buildings, Thompson says that "the level of quality control is much greater, with teams dedicated around the product, rather than the process. The obvious area is the absence of adverse weather." Analysis by insurance provider Direct Line for Business, for example,

revealed construction companies across the UK could be collectively losing as much as £265m every year because a lack of light in the winter prevents work.

Still, for all their advantages, the savings of timber-framed houses are not currently being passed on to homebuyers. Waugh admits that while he might be able to build at a discount, he has "little influence over whether clients then sell those buildings at a discounted rate". Waugh suggests that the issue of the housing crisis lies largely with the stand-off between leasehold and freehold ownerships. A leasehold means owning a property on a fixed term, but not the land on which it stands and continued possession of that property will be subject to the payment of an annual "ground rent". Freehold ownership, meanwhile, means owning the property outright, including the land on which it stands. Nearly all flats in London are leasehold. "It's a feudal system," Waugh laments, "and one that's fraught with opaque practices." Waugh says that government intervention is "perhaps the only way" to tackle the problem.

Prices for the Citu Homes in the Climate Innovation District start from £145,000 for one-bedroom apartments and £335,000 for houses. According to Zoopla, the average price paid for a detached three-bedroom house in Leeds over the past 12 months was £342,554. First-time buyers in the Climate Innovation District will be eligible for just a five per cent deposit as part of the government's help-to-buy scheme.

Thompson says homebuyers will see significant long-term savings on maintenance because of the houses' energy efficiency. Thompson says: "The challenge is how we deliver better quality homes, how we increase the supply and how we reduce the costs. The cheapest housing currently tends to be old and leaky. This often leaves occupiers in fuel poverty, making a choice between heating their home and food. The solution is in upgrading our existing housing stock and also in providing new, energy-efficient, but cost-effective homes."

The house of tomorrow

An exciting new type of home has the potential to maximise land and create affordable, sustainable housing, explains Professor Bill Dunster, principal at ZEDfactory

It's no secret that we are in the middle of a housing crisis and first-time buyers have been some of the hardest hit. According to the latest figures from the Office for National Statistics, a record quarter of 20 to 34 year olds still live with their parents. One of the factors perpetuating this crisis is a scarcity of land, so imagine if we could make land work harder to provide affordable homes.

Our big idea at ZEDfactory, working with the ZEDpods funding team, is to help people solve their own housing needs quickly, bypassing conventional volume house builders and making the most of the land that's available.

The government has asked every local authority in the UK to offer a building plot to eligible people requiring housing. We have designed affordable starter homes that can sit on the ground, be elevated over a floodplain or even sit over existing parking spaces. With a fixed price home that has been designed to be deployed at medium densities in almost any site at short notice, we can create thousands of new homes very quickly.

Government Land Use Change Statistics show that in 2015-16, the average new residential development was capable of delivering 32 homes per hectare. It also takes up to 32 weeks to complete a new build. At this year's ecobuild, the leading industry event for the built environment, we will present the mortgageable home capable of sitting on the ground with the potential for net annual zero energy bills. These custom built homes are capable of achieving densities of around 100 homes per hectare and can be assembled in just four weeks.

They cost between £87,500 and £97,500 to install depending on volume and finishes; that's a long way off the £207,000 the average first-time buyer spends, according to the Halifax.

Our model involves working with landowners to deliver a master plan with full planning approval and optional construction funding for a net zero energy bills community, including a show-home to show what's possible. Potential homeowners can choose a site, put down a deposit using a custom built funding package and order their foundation package. The properties even allow you to produce enough electricity to e-bike to work and save on commuting costs.

These communities need collaboration between customers, local authorities, land owners and politicians, and ecobuild offers the perfect platform to get the ball rolling. We want to show people at the event that environmentally-friendly housing is affordable and possible, and it can soon be a reality.

ecobuild offers the opportunity to launch a concept by exhibiting a full-scale home to key decision makers and obtain immediate feedback. This helps ZEDfactory and other similar companies speed up the evolution of zero-carbon construction as we can interact directly with potential clients and obtain real commercial opportunities that foster investor confidence.

It's an exciting movement that's gaining real momentum. Indeed, ZEDfactory and ZEDpods aren't the only company bringing a full scale build to ecobuild this year, and there will be good opportunities to compare cost, environmental performance, energy bills, durability and above all fire safety.

With much of the construction industry designing and manufacturing products aimed at scraping through the minimum specification, we want to be better. We can't wait to share our ideas at ecobuild 2018 as we aim to build a better construction industry for this country. One that is capable of providing attractive, functional, affordable and environmentally-friendly housing to absolutely everybody.

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ecobuild

06-08 March 2018 / ExCeL, London

Why people must always be the priority

The tragedy of Grenfell Tower is a call to action for the entire housebuilding industry, writes **Gene Murtagh**, CEO of Kingspan Group



Nothing is more important than protecting the lives of people. As we work to deal with the housing shortage in the UK, and to find room to build or to upgrade our existing stock, this mantra must stay front of mind. Our homes should be places where we can be (and feel) sheltered, safe and secure.

One of the biggest concerns people have voiced following the Grenfell Tower tragedy is the issue of fire safety, particularly for high-rise buildings. Since the Building Regulations for Fire Safety are now under urgent review, it is crucial that we take this opportunity to get the system right. It is heartening, therefore, to see the constructive direction of travel that Dame Judith Hackitt is taking to achieve this, by not only examining how the regulatory system needs to be strengthened, but also how the construction industry operates at a fundamental level.

Fire is not a straightforward issue.

How and to what extent a building fire develops depends on many different factors, including the overall design, the quality of the installation, and what passive or active fire protection measures are in place, as well as what the building is made of. In her interim report published last December, Dame Judith demonstrates a clear understanding of the complexities that are involved. Yet, sadly, a great deal of the debate since the publication of the report has been focussed purely on the classification of the materials that make up cladding systems, (the insulation and external cladding) and in particular, whether they should be combustible or non-combustible.

Making buildings safe requires a lot more thought and consideration than just restricting the kind of materials of which they can be made. It would be a huge mistake to assume that simply switching to a blanket requirement for non-combustible materials is a panacea.

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Simply put, the use of non-combustible and limited combustibility materials is not a guarantee of fire safety in construction. For example, in the UK, materials are classified as “non-combustible”, “combustible” or of “limited combustibility” based solely on small-scale tests of individual products. These tests give no consideration to how materials will perform when combined in a system, as they would be on a real building. It ignores the way that different components within that system interact with each other, and what might happen if just one of those components fails in a fire.

Furthermore, there is currently no requirement for systems in which the insulation materials and the external cladding are classified as non-combustible or limited combustibility, to undergo any kind of system testing. It is simply assumed that the system would pass.

Another consideration is that, even in a cladding system where the insulation and external cladding are non-combustible, there can still be a surprising proportion of combustible material. Other essential components such as gaskets, thermal breaks, sealants, membranes, even the binders that hold many non-combustible insulation materials together can, and will, burn.

So, if you don’t know how a cladding system will perform (because it’s never been tested as a system), and if it’s not feasible to make it completely non-combustible, why would you choose to go down the route of making this the only way you can build over 18 metres? After decades of research into the fire performance of products, we strongly believe that the best way to ensure a cladding system’s safety is to test it as a complete system, regardless of whether it contains combustible, limited-combustibility or non-combustible products.

This approach creates a clear, universal standard for the industry to meet, without ruling out tried and tested systems that contain combustible materials, especially for buildings where the use of non-combustible or limited-combustibility materials would be too thick or too heavy to be practical.

Of course, looking at the requirements for cladding systems is just one small aspect of creating buildings that are safe. Any sensible assessment of what happened at Grenfell needs to consider a wide range of factors including building height, sprinkler installation, fire and smoke detection, means of escape, flammability of building contents, as well as the combination of materials used in exterior walls and internal finishes. Most critically of all it also needs to review and assess whether existing safeguards are being applied and overseen properly.

The interim report for the Independent Review of Building Regulations and Fire Safety takes these complexities into account and has

outlined a holistic approach to creating safer buildings, and an industry that is fully aligned to deliver them. It emphasises the need to raise levels of competence for all construction professionals engaged in the fire prevention aspects of a building, including design, construction, inspection and maintenance.

As well as simpler, less ambiguous regulations and guidance, it calls for greater oversight of the quality of installation, much stronger enforcement of the rules, and sanctions for those who do not follow them. Clear lines of responsibility, better communication and greater accountability are needed at every stage, not just of construction, but also during occupation of a building – a “golden thread” of information, recording every change that affects that building throughout its life.

In each of the six key areas identified for change in the report, the importance of the role that people play is reiterated. The point is that government can produce regulations and provide guidance, but ultimately it is the people on the ground who need to make sure that these are implemented properly. It is people who make decisions to market products responsibly. It is people who create the design, who procure the products, who deliver the buildings. It is the people who have to live in those buildings, who need to be listened to and kept safe.

We have an opportunity now to enact real change. To develop a system where the whole supply chain works together to create buildings that are safe, that perform better, and that remain true to the designer’s original intent throughout their life cycle.

In doing this we will not only help to protect people from fire, we will also be giving them homes that deliver on all fronts, including greater energy efficiency, healthier environments, and higher levels of comfort.

For more information, please visit:
www.kingspan.com

The great housing space race

David Done,
chief executive
of London
housing provider
RHP, explains
its innovative
solution to
help combat
the housing
crisis, and why
the company has
called for changes
in the draft
London Plan

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At RHP we're on a mission to help a forgotten group of Londoners. These are the people who don't qualify for social housing but are struggling to afford high rents. And the dream of owning their own home one day is a very distant reality.

I'm talking about the growing group of people paying high rent for a room in a shared house or still living at home with their parents as they can't afford to move out.

Our current mission

We've been working on a solution which we believe could be a real game changer. It comes in the form of LaunchPod, our 26sqm modular product and the first home to come out of Legal & General's revolutionary factory in Leeds. This building method uses high quality materials and ensures a faster, more eco-friendly build as well as reduced construction costs – meaning more homes for more Londoners.

The size might sound small on paper but everyone who steps into the pod is blown away with the quality of the space – with separate rooms for living/eating and sleeping. In fact, the most common thing we hear after a viewing is: "How do I get one?" (whether in the target market or not!)

And we're not just relying on comments from those who have visited. At the start of this year we carried out a piece of research with the help of Share to Buy where we surveyed single person households registered as looking for an affordable housing solution. The research has given us a wealth of useful information to help shape our way

forward as well as endorsing LaunchPod as a viable solution. Here's a taste of some of the high-level findings:

- | 85 per cent of respondents said they'd consider a smaller home if it was affordable to them.

- | 95 per cent of people ranked "affordability" in their top three priorities.

- | 70 per cent of those surveyed said they'd be happy with LaunchPod as a housing option.

With all the numbers and feedback pointing in the right direction, you might be thinking: "What's stopping you?"

Here's the tricky bit:

London, we have a problem

The current London Plan is very clear on minimum space standards and are larger than LaunchPod at 37sqm. However, it also includes a crucial line for us, that makes an exception for homes under this size if they can show "demonstrability of exemplary design" and that they "contribute to achievement of other objectives of the plan".

We're really confident that LaunchPod meets this criteria and would therefore pass as an exception.

However, the issue is that the new draft London Plan (consultation for which ended on 2 March) removed this line, and with it, removes the chance to deliver these much-needed homes.

We're not suggesting a change to space standards, but we would like to see the exception policy reintroduced. We've submitted a full response to the consultation calling for this flexibility to be added back in and have included a wealth of supporting evidence (including our full research report) to back up our case.

So for now, it's a waiting game.

In the meantime however, we're not giving up on our quest to help ease the housing crisis one LaunchPod at a time.

To find out more and to keep up to date with our mission, follow us on Twitter: @rhp_uk

Masonry: resilience and reassurance

When it comes to providing construction solutions to the UK's housing market, masonry can go the distance, argues **Andrew Minson of Modern Masonry**

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Housing has always been a hot topic amongst the electorate. An expectation has developed that parties will pledge whilst in, and when seeking, office to building a far greater number of new houses per annum.

The last couple of years have shown new build numbers reinvigorated and this should be encouraged. Pressure from young people being priced out of the housing market and a growing population has meant the current Parliament has been compelled to act. This was registered first with a White Paper in Spring 2017 and a Budget commitment last November to deliver an average of 300,000 houses per year by 2025.

Modern Masonry has responded favourably to both. As masonry products (blocks, bricks and mortar) already contribute up to 85 per cent of the building materials used to construct homes, we are keen to demonstrate its benefits to housebuilders, developers and government.

A long-term solution

Above all, we want to emphasise that masonry-constructed homes give the quality and assurance that people rightly expect from new build houses. From thermal performance and acoustic excellence to fire resistance and flood resilience, it provides a robust solution for both small and large projects.

Fundamentally, masonry offers essential durability because the components themselves are inert, non-biodegradable and do not rot. The vast majority of masonry housing is not reinforced with steel and, as such, is not

subject to corrosion. For these reasons masonry is the simplest construction method to deliver long-lasting buildings.

Cost-effective

There are cost benefits too. On-site masonry housing is the most economical form of construction, providing flexibility in availability and speed of development. Masonry is also adaptable in terms of what design can be offered and in response to design changes and in future refurbishment, extension or modification.

A local hero

The energy efficient properties of masonry-built homes also offer considerable value to the end-user. It's able to absorb heat during hot conditions and then release it when it's cooler, typically at night. This provides inertia against temperature fluctuations within a building and lowers risk of overheating.

Furthermore, masonry is a sustainable and eco-friendly solution. Masonry construction contributes to reduced environmental impacts through inherent resilient benefits and thermal mass. It has a performance longevity that far exceeds competing materials. As blocks and mortar are produced in the UK, its production is subject to legal requirements that, together with corporate social responsibility, have led to masonry being produced sustainably.

Ready for action

With housing pushed to the top of the UK's political and economic agenda, we need to be ready to meet an influx of new contracts and development projects. The industry is used to high demand; it has increased manufacturing output by more than 50 per cent in the last six years in response. This indicates a flexibility that's essential to meet the anticipated further growth expected.

The good news is that masonry manufacturers are well-positioned to deliver the same capacity increase again in a short space of time. Ultimately, this will provide reassurance that both targets can be met and that the houses built will be both fit-for-purpose and built to last.

Land of the £1 houses

Liverpool City Council is selling its housing stock on the cheap.
Jonny Ball investigates why

The United Kingdom has an empty homes problem. In the midst of a housing crisis, when the average house costs almost eight times the average salary, and a generation of young people has acquiesced to a lifetime in insecure, overpriced, privately-rented accommodation, government statistics show that 200,000 homes in the UK have not been occupied for six months or more.

Last year, Philip Hammond gave local authorities new powers to charge double the rate of council tax on empty properties, in an effort to incentivise bringing them back into use. The punitive tax is unlikely to deter the multi-millionaire investors who buy up properties as speculative assets or investment vehicles, but Liverpool City Council is tackling its own particular empty homes problem in a different way – by offering vacant, local-authority-owned housing, in desperate need of renovation, for sale for just £1.



New £1 homeowners and participants in Channel 4's *Britain's Cheapest Street*

Unlike the empty townhouses and riverside apartments that can be found in the capital, much of the empty housing in Liverpool is derelict. Looking at row after row of abandoned terraces in neighbourhoods like the Dingle or Picton, both barely a mile from Liverpool city centre, you could be mistaken for thinking the boarded-up, crumbling facades were symptomatic of problems faced by the city in the latter decades of the last century; hangovers from the haemorrhaging of jobs in the docks and traditional industries that led to mass unemployment and a simultaneous exodus of people in the '70s, '80s and '90s. But these streets, filled with the kind of properties which, if renovated, you'd be lucky to find in London for under £600,000, lie unused and uninhabited, not as a result of economic calamity, but as the unintended consequence of a much more recent attempt actually to improve and regenerate them.



In 2002 the then deputy prime minister, John Prescott, announced the launch of the Housing Market Renewal Initiative (HMRI), New Labour's controversial scheme targeting nine "Pathfinder" areas in the north of England and the Midlands, in which demand for housing was relatively weak. The thinking went that places suffering through years of neglect, depopulation and economic decline should not be excluded from the noughties housing boom. By knocking down many of the old houses and relocating the existing residents, the project aimed to reduce the gap in house prices and vacancy rates between these economically deprived areas and their respective regions as a whole.

Owen Hatherley, author of *The New Ruins of Great Britain* and early critic of the scheme, was unconvinced: "The clue is in the name, Housing Market Renewal. Not Housing Renewal. The basic idea was that the main problem with the

North, and with Liverpool in particular, was that it was depopulating. It doesn't really look at why it's depopulating, which is to do with very long-term decline." The idea with HMRI, Hatherley says, was "that richer people would move in, property values would be raised – hence Housing Market Renewal – schools would get better, and quality of life would get better because of the fact that there were now rich people living in the area."

This approach "works well in London, insofar as there is a constant stream of middle-class people moving to London. But it doesn't work in Liverpool because there's not a constant stream of middle-class people moving to Liverpool."

While HMRI had some success regenerating run-down estates in north Liverpool, Hatherley says the scheme as a whole "was based on this New Labour boom thinking – we've ended boom and bust, the good days were back, it was never going to end. And of course these

things do end, and inflating a property bubble and expecting it not to burst is just f***ing stupid. And it did burst, and it burst worst of all everywhere outside of London." Three years after the financial crisis, and a year after the election of a new government committed to fiscal austerity, HMRI's demolition subsidy – or, for Hatherley, "slum clearance without the socialism" – was scrapped.

By the time the scheme was prematurely cancelled and funding withdrawn by the coalition, £2.2bn had been spent on the Pathfinders, £342m of it allocated to Merseyside. Liverpool, Sefton and Wirral councils had by then acquired over 2,000 properties – 42 per cent of which had been occupied – using Compulsory Purchase Orders. All those that hadn't already been demolished now stood empty, 'tinned up' and increasingly dilapidated. Liverpool was lumbered with around 1000 empty homes when funding was withdrawn. Once-vibrant communities had been emptied, and huge swathes of the city, in the words of the Lib Dem leader of the council at the time, resembled a "war zone". As the number of vacant properties, or "voids", in the council's portfolio swelled, so did the numbers on the waiting list for social housing, from 11,500 in 2005, to 22,000 in 2010.

Liverpool City Council's cabinet member for housing, Frank Hont, is candid about the problems created by HMRI's cancellation: "That's the problem for local authorities. Central government changes the rules overnight. HMRI worked for us and then bang, the curtain comes down and we can't do it anymore. So we were left with the Welsh streets [an area of the Dingle with around 500 houses] completely empty."

With the cancelling of HMRI, cash-strapped councils were left with the unenviable burden of derelict neighbourhoods, with all the attendant social and environmental problems that go with them, their empty roads used for little other than driving lessons and the dramatic backdrops to the BBC series

Liverpool's government grant was cut by two-thirds



Peak Blinders.

“We were acquiring properties all over the city, mainly with a view to demolishing them to build new homes”, says Tony Mousdale, Liverpool City Council’s empty homes manager. “The withdrawal of funding meant money wasn’t there to carry out the demolition.” With local authority budgets increasingly squeezed (Liverpool’s grant from central government has been cut by almost two thirds since Labour left office in 2010), the council had to devise new ways of dealing with its empty homes problem. The Homes for a Pound scheme was born.

It started as a pilot in 2013, “for 20 homes in the Granby, Edge Hill and Picton areas”, Mousdale explains. “When we launched the pilot we got around 750 applicants. Then in 2015 the council agreed to extend the scheme to cover around 100-120 more properties in the Picton area. We got 2,500 applicants, in addition to around about 500 applicants who hadn’t been matched up to a property or hadn’t pulled out from the original scheme – so in total we’ve been dealing with around 3,000 applicants.”

The houses are not available to anyone with £1 in their back pocket. To qualify for one, applicants must be first-time buyers, must be resident in Liverpool, must live in the property for five years before selling, and, crucially, must

commit to renovating the property (often at a cost of up to £50k) and bringing it up to a liveable standard. If the houses don’t meet this standard within 12 months, the council reserves the right to take the property back with no compensation given for the work already completed. This hasn’t deterred interest in this massively over-subscribed scheme, and the idea has caught on: similar “Homes for a Euro” initiatives have been introduced in post-industrial Roubaix, outside Lille, as well as in rural towns in southern Italy.

The Channel 4 series, *The £1 Houses: Britain’s Cheapest Street*, has documented the lives of several new £1 homeowners over the last three years. It hasn’t always been plain sailing: these mini ghost towns have high rates of crime and anti-social behaviour, vandalism, drug use, burglary and shootings. Even once the whole process has been completed, and the houses brought up to decent standard, residents may have derelict houses as neighbours for years to come.

For some critics, Homes for a Pound is a dressed-up, gimmicky form of privatisation, a sell-off of council-owned assets on the cheap, outsourcing their renovation to private developers and owner-occupiers. Keeping those properties as council housing, refurbishing them en masse and letting them out to council tenants would perhaps be a more desirable alternative. But with the Conservatives in government, unlikely to restore local authority budgets or drop their long-standing ideological aversion to social housing, Liverpool council has little option but to deal with the problem of vacant, decaying housing now, rather than, in the words of Frank Hont, “wait for something to come over the rainbow.” Too much of inner-city Liverpool’s decaying housing stock still stands as a grim reminder of the practical effects of government cuts. “Hopefully,” Hont says, “if we get a Labour government, rules will change and they will allow local authorities to build council houses again.”

Three ways to boost rural housing

A lack of affordable and appropriate housing is a problem in rural England. It is crucial government does not forget these locations, argues Sue Chalkley, chief executive at Hastoe Housing Association

Many see the housing crisis as an urban problem, but homes are even more unaffordable in rural areas. They cost £18,000 more on average, while local jobs command lower salaries.

This simple arithmetic means young families are priced out of the community where school friends, parents and grandparents live. Once families have left and schools have closed, it is highly unlikely they will ever return.

In Hastoe's experience, rural England is at the vanguard of new thinking about housing development. There is a growing appetite for building new homes that are affordable for local people. In fact, we do not have the capacity to assist all the communities that approach us.

So rural England is ready but what can the government do to help it build the homes it needs?

Incentivise landowners

Rural landowners should not be lumped into the same pot as urban institutional landowners. The talk of compulsory purchase powers and land taxes will backfire in many villages, where there may only be one or two landowners and their long term co-operation is needed. A recent CLA survey found half of rural landowners thought there was a housing crisis in their community. Many will make land available for others to develop, or even to develop themselves. We should encourage this.

The government must address the complexity of taxes that put landowners off – they are often ordinary local people without expensive advisors. A landowner has to consider stamp duty

land tax, inheritance tax, capital gains tax, income tax, corporation tax and/or VAT. Simple steps like exempting properties provided as affordable homes from inheritance tax or exempting land sold for affordable homes from CGT would make a big difference.

Quality design that leaves a lasting legacy

Latest research shows more than half of households would be less opposed to new homes if they had more say on the design and layout of the development.

This is our experience. Communities can be and should be proud of the homes they have facilitated which, in my opinion as a partisan housing professional, are the best legacy that anyone could leave.

The building of mediocre, bland housing estates with minimal affordable homes has done enormous damage to our psyche about new homes.

It would incentivise rural landowners too – they want their grandchildren to be proud of what they have done for their community. Design matters.

Close the viability loophole

The change that allowed viability to be a planning consideration was intended to support developers who were faced with unexpected exceptional costs. But it is being used routinely to water down affordable housing commitments.

This causes a fear of development and resistance, in the knowledge that affordable housing and other commitments are unlikely to be delivered. Since viability assessments were introduced, delivery of new rural affordable homes has fallen from 35 per cent to just 16 per cent.

Planners are not equipped to challenge project appraisals or identify cost exaggeration. It's a waste of money to hire consultants for advice. Homes England should be able to assist with exceptional site conditions and viability should be removed as a planning consideration.

These changes will bring new confidence to landowners to release land, to communities to seek new development and save time and money for planners.

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Land reform is needed sooner rather than later

Brian Ham, executive director for development at Home Group, argues that while long-term reform to the land market is expected, there are changes that can be made in the meantime which could speed up desperately needed housebuilding



The scale of the housing crisis and the misery it causes means that we have to do things differently.

Tonight, over 15,000 people are homeless. A further 80,000 will go to bed in temporary accommodation.

Over 13,000 young adults will fall asleep in their parent's home, perhaps in their childhood bedroom.

One million households in the private sector will be worrying about being able to pay their rent. Over 680,000 people will be sleeping in overcrowded homes.

Land, how much it costs and how we can get a hold of it is the crucial factor. Not least because it makes up such a large component of the actual build cost.

Independent think tank Civitas estimate that for every new home built in 2014/15, around £60,000 went to the original landowners.

What happens to land matters to everyone; even local authorities with the powers for compulsory purchasing of sites for housing. In truth, by the time they have purchased the land they

are struggling to find the money for the roads and schools needed to make a community viable.

In response, a range of parties have called for legislative reforms, including to the 1961 Land Compensation Act. This law enables landowners to receive prospective value from land, not just that of its current use.

Private landowners can benefit enormously from housebuilding and there is a growing consensus across the political spectrum that the balance ought to be looked at.

Those battling against change will see it as nothing less than an attack on private property rights. But just look at the cast of those now arguing for change.

It is everyone from the Labour Party through to Peter Franklin, former special advisor to Greg Clark at DCLG, and even David Cameron's former planning minister, Nick Boles MP.

Any reform to the 1961 Land Compensation Act would require primary legislation, and, given the level

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of controversy it is likely to bring about, could take up to three years to pass.

Even with Labour support in the Commons it is difficult to see it passing quickly through the House of Lords. So this won't be a quick-fix. Indeed, there are many other changes which can bring about quicker wins – changes to the Community Infrastructure Levy and “Section 106” planning gain for a start.

Whilst we shouldn't shy away from policy change that would be controversial we ought to set one fundamental test. Will it result in more homes, more quickly, for the people who need them?

Bringing land forward for development centres on relationships between landowners, local authorities who grant the planning permission and developers. Success depends upon each partner feeling fairly treated and having an incentive.

If reform of the Land Compensation Act prevents land owners from receiving some or any of the prospective use

value, this relationship is broken.

In the current system, land brokers act as a convenor between the landowner and the developer. Alone, these organisations unlock one-third of all sites that secure planning permission, with the potential to develop around 264,000 homes.

Any changes risk stalling these homes, many of which are already running through the system, as they may no longer stack up.

It's not to say that reforms to the Land Compensation Act should be ignored, but that we should be having conversations now about making this workable long-term, in a way that accelerates the unlocking of development and that doesn't damage relationships with landowners. There has to be “wins” for all sides, otherwise the pipeline of new sites will just dry up.

The issue with land value capture is also not just about the amount of money in the pot, it's about ensuring that the money is used to improve

communities, providing developments with the infrastructure needed.

Reforming developer contributions, through Section 106 and Community Infrastructure Levy, is a quick way to increase fairness and deliver the community infrastructure needed.

Contributions are agreed as part of the planning approval, and values are normally agreed prior to the start of the development; shortcomings in these agreements are now familiar as many developers negotiate over viability, which in itself slows down the building of homes. Contributions are calculated on expected sales values, which leaves scope for a gap to emerge between expectations and reality.

Changing it so that contributions are taken at the end, based upon achieved values, would mean local authorities receive genuinely fair contributions and the whole process is sped up. Some smart planning authorities are now demanding a second bite of the cherry, but it's not yet widespread practice.

Such reform wouldn't need primary legislation and thus could be actioned in much less time. We'd see additional revenue for local authorities immediately, which means additional capacity to build the affordable homes and infrastructure which is needed.

As executive director of development for Home Group, one of the UK's largest housing associations, my day is preoccupied with how we build more homes. Whilst we ourselves have ambitious targets, in terms of quantity and quality, we want to do more.

However, without some fundamental reforms and a further look at what determines land values our efforts will be limited.

Such reforms must equally keep those households at the centre of our efforts. They need homes tonight, and cannot wait years for legislation to be passed to build new homes.

Having bold conversations about how our land market works is important, but we must strive for solutions which builds homes tomorrow, for the people who need them tonight.

Immediate action is needed on fire safety

Gilles Maria, senior vice-president at ROCKWOOL, urges a stronger approach to safety and regulation in the wake of the Grenfell Tower disaster



On 14 June 2017, Grenfell Tower burned rapidly and intensely, fuelled in part by the equivalent of 32,000 litres of petrol wrapped around it. By most accounts, Grenfell burned as it did because combustible insulation and cladding on the outside of the building aided the fire in racing up 20 storeys in half an hour. It burned because building regulations and fire safety standards failed. The tragedy shocked us all, and it shook our belief in the government's ability to ensure safe homes and adequate protection for the people living in them.

What is even more shocking is that nothing in the failed system has changed.

Every piece of official guidance and regulation that allowed combustible insulation and cladding to go up on that building is still in place. Every loophole and ambiguity remains the same. Nothing significant has changed that would prevent a fire like Grenfell Tower from happening again.

There are many issues behind this tragedy, and it is right that the public inquiry and the police undertake thorough investigations to establish the facts about what went wrong. But this

will take time, and common sense tells us there are steps we can take now to improve the fire safety of buildings and reassure the residents of those buildings that they are safe.

One of those common-sense options is to stop using combustible insulation and cladding on tall and sensitive buildings that require longer evacuation times. Doing so would be a simple and effective way to safeguard people's lives. Let's remember a basic truth: non-combustible materials don't burn; combustible materials do. No amount of creative marketing can change that.

It has become clear to everyone that the current system of fire safety guidance and regulation is insufficiently rigorous, unduly complex and too open to subjective interpretation. The government must remove this complexity and ambiguity by requiring that all mid and high-rise, as well as sensitive and high-occupancy buildings like schools, hospitals and care homes be insulated and clad only with non-combustible (Euroclass A1 and A2) materials.

Doing so would bring the UK in line with best practices elsewhere in Europe,

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where it's simply not allowed to install these kinds of combustible materials on tall building facades.

Taking this approach would also eliminate entirely the need to conduct large-scale tests for these types of buildings. We should remember that these tests were developed to create a pathway for combustible materials to be approved as "safe" for tall buildings. They are conducted behind closed doors, with near-perfectly installed products, and with no "weak spots" like windows or other design features you would see on a real building.

These tests are intended to ensure public safety, yet they are paid for by manufacturers who can rerun tests

To improve safety, there are steps we can take now

until they get the desired results and are under no obligation to publish the test reports.

How can we trust that as a guide to fire safety?

It gets worse. Another option to get combustible insulation and cladding onto tall buildings is to pay private consultants to conduct "desktop studies" to say that, in their opinion, an untested combination of combustible materials would be safe in a fire. No specific professional qualifications are needed to write a desktop study. The reports are secret, so there is no way to scrutinise them. No one else in Europe allows this to take place, and we should not allow it to continue here. The government, however, has set up a committee to reinforce and formalise the use of desktop studies, rather than eliminating them.

What is most worrying is the lack of urgency to put this right. The Building Regulations Review led by Dame Judith Hackitt is relying on "culture change" within the industry to provide the solution.

The Review has asked the industry to come up with the answers to problems

that it created and is relying on a narrow set of advisers and institutions who have overseen the status quo to fix the problem. It has shut out voices from the Grenfell community, independent fire safety experts, and numerous organisations that have warned for years that the use of combustible materials on tall buildings could have tragic consequences.

This is the wrong approach. Public safety should not be left to vested interests. Public safety is the ultimate responsibility of government.

We need strong leadership from the government to require that only non-combustible insulation and cladding be used on mid and high-rise and sensitive buildings. The government has already made clear that this is an obvious option. What is not clear is why this obvious option has not been adopted as policy to provide urgent clarity to building owners and reassurance to residents.

We owe it to the people who lost their lives at Grenfell Tower, and to all residents, to act now to keep their homes safe. Let's get on with it.

Why take the risk to do otherwise?

“A good idea doesn’t cost more than a cheap idea”



Kevin McCloud is both a housebuilder and the country’s best-known critic of domestic architecture. He talks to Will Dunn about what he believes makes good housing

The lazy assumption about Kevin McCloud is that he’s a property snob. Of his long-running TV show, *Grand Designs*, Charlie Brooker once said that “thanks to shows like this, it feels like it’s not enough to own a reasonably OK house any more”. And indeed the stated mission of McCloud’s own housing developer, HAB (Happiness, Architecture, Beauty) is to challenge “identikit volume housing”. But is it snobbish to suggest that people could buy a better product than that which the big housebuilders offer?

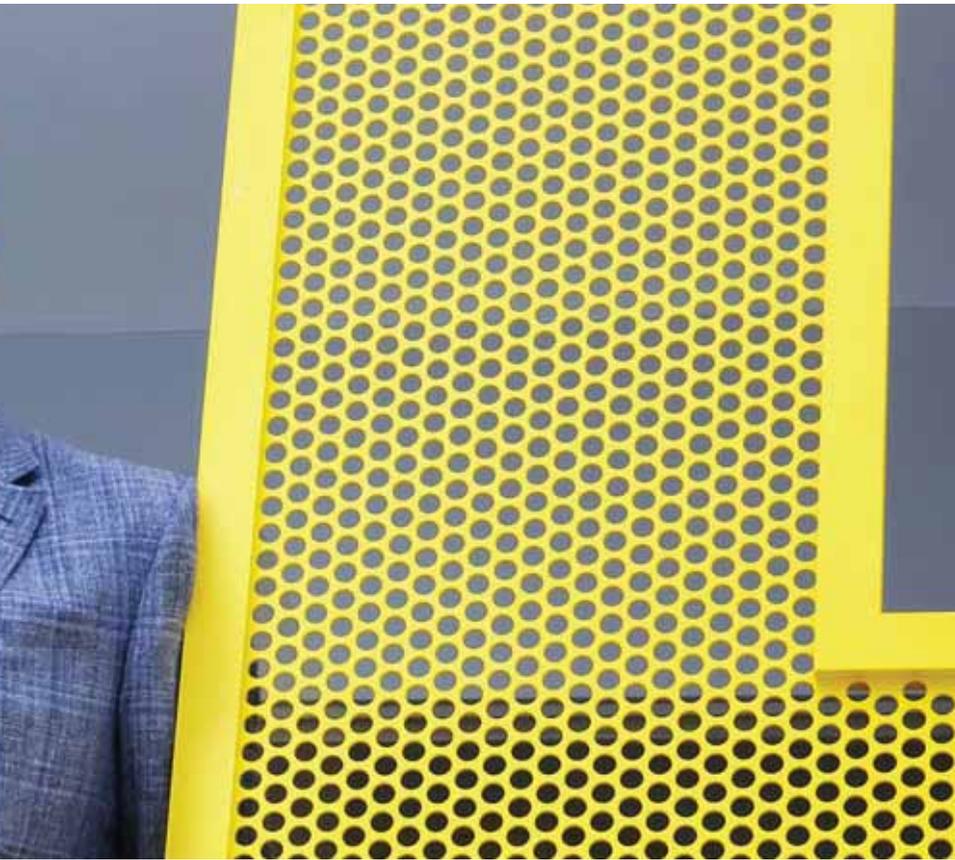
Genuinely good homes are, he says, more affordable than bad ones over time. “A good idea”, says McCloud, “doesn’t cost any more money than a cheap idea.”

Anyone looking for a housing snob would do well to ask the chief executive of any of the big housebuilders, McCloud suggests, if they would live on any of their own developments. McCloud would, happily. “It’s a question we pose to ourselves within HAB, on any scheme – would any of us live in the homes we built? Would we want to live there?

And in every scheme we’ve built so far, the answer is yes.”

Despite McCloud’s laconic demeanour, he is “angry about the quality of many housebuilders’ homes”, because of “the absence of craftsmanship and the very poor quality of the workmanship, whether it’s painting or carpentry or construction”. He is not the only one: in May last year Ian Tyler, the chief executive of Bovis, apologised to the company’s annual meeting after hundreds of homebuyers alleged that their new houses were riddled with defects. A survey by Shelter found that 69 per cent of buyers of new homes in the UK reported more than six defects to the builder.

“Just by visiting a building,” says McCloud, “you get a sense of its quality. You get a sense of its meanness, too, if it’s poorly done, from the height of the ceiling to the smallness of the windows. Buildings that introduce lots of light, and make contact with the outside world, and allow you to see the sky from deep with the building – those things



The public realm “flows and connects” with a house

CHANNEL 4

are fundamental. There are some very basic human pleasures and responses that architecture tries to deliver and to build on.”

But the interior of a building – and indeed the building itself – are only a part of the story. “The moment you start to talk about the things that matter in a building, you cross the threshold and start to talk about outside storage, and bins, the street and the public realm. It flows and connects,” says McCloud. He is passionate about “high-quality public realm design” – design that accounts for “the spaces between buildings, the landscape, the ecology, parks, tree-planting schemes, edible hedgerows, fruity streets, orchards and woodlands”. These natural features, he says, “need to be woven into the design of our housing schemes, not set apart from them. The more you do in the public realm – that encourages people to stand outside and drink tea in the middle of the road, rather than feel threatened by the cars shooting past every 15 seconds.”

For McCloud it is “bonkers” that

most people, “in order to enjoy their lives – to go walking, to find pleasure in the outdoors and in connection and community, first of all have to get in their car and go somewhere.”

Community and quality of life cannot be created by buildings alone. But McCloud says it’s possible to “put the fertile ground in. You can’t create a community but you can create a place in which you hope a community will flourish.” And one of the most important factors in creating the sort of place in which a community will flourish is diversity – of people, of housing, and of economy. This is not a new idea; the better council estates of the 1950s and ‘60s incorporated different types of housing, from bungalows to houses to high-rise flats, so that people of all ages lived near one another. “In the ‘50s, it was for many people a question of choice as to whether you rented or bought. And if you rented, you might rent from your local council. So in council housing schemes of the 1950s, not only would you find people who simply for economic reasons couldn’t afford to buy somewhere, but people who actively chose to rent. Sometimes professionals, or key workers. So we had, in the middle of the 20th century, a market which was very diverse.”

McCloud sees the free market as a homogenising force. Market principles, he says, have created the “stigmas attached to the idea of rental, and this notion that it’s a decent and honourable thing to own.”

“One of the great naïveties of government policy”, he points out, “is the belief that somehow, by introducing incentives for developers and builders, suddenly they’ll build 300,000 homes a year. They won’t, because market laws dictate that housebuilders want to release slowly in order to maintain value and return profits to their shareholders.”

What would work now, says McCloud, is what worked last century: “to empower the wider market.” McCloud is – unsurprisingly for someone who runs a small, ecologically and socially guided developer – keen to find ways

A development of 1,900 self-built homes is underway

for councils to work with “the right kind of developer”. Because it’s not in the interests of the big housebuilders to provide the numbers needed, he says the solution is “to open up the market as much as possible, to encourage the smaller housebuilders, the SMEs and the housing associations and local authorities to play and to look to them for delivery.”

But the cost of land is a problem. “It won’t happen while local authorities insist on booking their land ownership at the highest possible commercial value. Which they do, now, because they’ve been underfunded for so long - they have to look at their assets in the rosier possible light.” The more forward-thinking councils, however, “are saying we will discount the sale of our land, and we’ll do so in exchange for some social housing – in the scheme, not ghettoised somewhere else. More progressive local authorities – Basingstoke is one – are setting a lead in this.”

Good architecture and public realm design are not only for those that can afford it. HAB builds a relatively high proportion of affordable and social housing in its schemes – McCloud says 40 per cent of its recent scheme in Kingsworthy is social housing – and it also experiments with other funding models. “On one scheme we had a mixture of affordable rent and shared ownership, but we also experimented with a certain number of homes where the value of the home is covenanted in perpetuity, so the residents bought at a discount, on the understanding that their house would always be discounted against the market value by a fixed percentage.” While McCloud admits this approach “doesn’t address the fundamental problem”, it’s by trying new funding models that smaller developers can bring “a healthy diversity of offer in the market”.

“Ideally on every scheme you would be trying to provide for as many different types of people as possible, so that people could stay and continue to live in that community at all ages and from

all backgrounds. So also it’s important that the commercial offers on a scheme should be as diverse as possible, to include social rented, private sector rental, shared ownership, full market ownership – whatever.”

After 17 series of *Grand Designs*, McCloud still sees self-built or custom-built homes as among the most likely to become good homes in good communities. This is not necessarily expensive – McCloud has said that his favourite house from the show was a cottage that cost £28,000 to build – or impractical; in Austria, more than 80 per cent of new homes are built for or by their owners. But in the UK, with its strict planning laws and endemic land speculation, it’s not easy. It is also much harder to borrow the money to build a house than it is to borrow the money to buy one. “The banks aren’t offering self-build and custom-build mortgages, and until the big players open up and support the self and custom build market, I don’t think you’ll find that market increasing,” says McCloud. But these mortgages do exist, and the smaller providers “tend to take a much more personal and much more bespoke approach.”

McCloud’s next series will follow the biggest project of this type in the UK so far. At Craven Hill, in Oxfordshire, “the council are selling 1900 slabs [plots] in one place. An entire new town, effectively, built as a suburb of Bicester, which is going to be a self- and custom-build exercise over the next 15 years.” Modelled on a similar development in Holland, people who want to live in Craven Hill will “go along and buy a slab, and design and build their house.”

McCloud hopes that this will show other local authorities that there are other, better, and more cost-effective ways of creating housing volume. He also hopes it’ll show housebuyers that there is an alternative to what he calls – snobbishly or not – the “cheap tat” that the big housebuilders sell. “Because the thing about the cheap tat is that it ain’t cheap. It’s expensive tat. And that’s the unforgivable nature of housing in the UK.”

A modular answer to the housing crisis

Paolo Vimercati, associate principal at Grimshaw, speaking on behalf of Atelio, introduces the modular housing collaborative start-up and its innovative solution to the shortage of homes being built

It's no secret that the UK, especially in the South East, is facing an enormous shortcoming when it comes to the delivery of housing. That's not to say that housing is not being built, but rather that there is an extreme lack of new urban residential units that are affordable.

With Atelio we've developed a system seeking to address the issue of affordable and timely supply for public and private new housing through rapid, socially conscious, sustainable production.

Atelio is an innovative modular housing system borne out of a collaboration between Grimshaw, SAM Architects, manufacturers TUFECO, and the Carbon Free Group. We have been brought together by the common aspiration to bring a sustainable, modular, well designed and socially-minded product to the housing market.

We focused our efforts into maximising the potential of the innovative panels which TUFECO manufactures to create a simple kit-of-parts that is hugely adaptable and delivers excellent environmental performance. We strive to focus on the people who will inhabit these homes, and through this lens we have brought some innovative solutions to construction systems, procurement, and the materials palette. We are determined to demonstrate that a modular approach is a positive change in the way we build our homes.

The construction method is very simple and consists of high precision manufactured panels which form all the surfaces of the outer shell, including the roof and the ground slab. The manufacturing process allows each panel to have specific dimensions and specs

instructed directly from a BIM model. This enables us to be flexible with our designs while retaining a precise, high quality product. We can deliver a one-off house or a large development with the same quality, performance and speed.

The innovation of Atelio lies within the simplicity of the concept and enables British design, engineering and manufacturing to unlock possibilities for local training schemes, while also allowing local communities to create their own new housing stock without compromising on quality.

Traditional housebuilding is not a fast process; the building industry has failed to meet and keep up with demand. In 2017 the government celebrated 217,000 new homes, and targets 300,000 for 2018, but the harsh reality is that this is still far below the required figure. Atelio's answer to this is an eight to 10 to 12-week turnaround time, from order to completion.

At present the manufacturing time for the shell of an average-sized Atelio home is seven hours. The delivery and erection take as little as ten days, leaving a clean and warm environment for a more traditional fit-out process to complete the home. This rapid "PC screen to site" turnaround is a huge draw for those determined to deliver low cost housing.

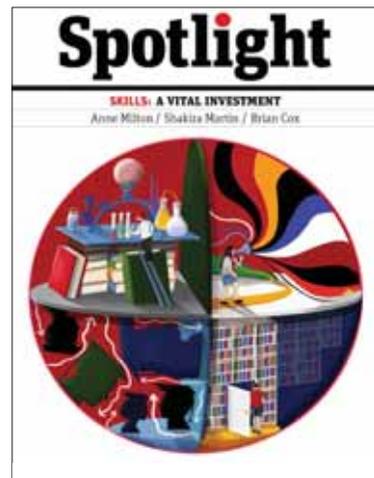
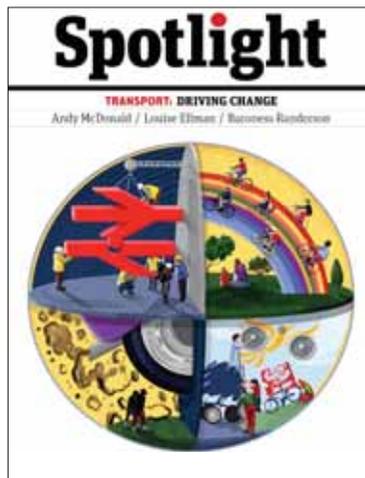
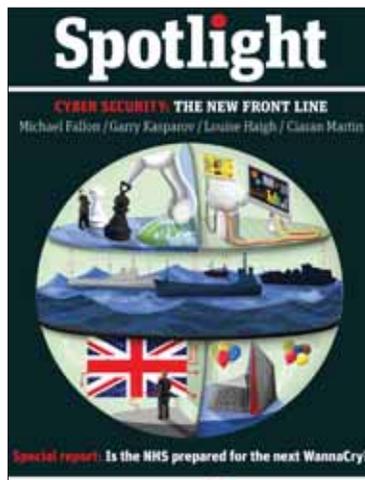
The unique composite material that makes up the panel is 80 per cent recycled glass, which optimises its carbon footprint, and hugely reduces Atelio's component supply chain, hastening the overall turnaround time. The panels are highly insulating; the result is a "zero energy" performance envelope, preventing high utility bills. The cumulative result of these features makes Atelio very cost-efficient thanks to its standardised modular framework, non-traditional materials, and assembly and production process.

With Atelio we have targeted and proposed a viable and innovative solution to four main challenges: quality of the built environment, speed of delivery, affordability and environmental performance. We believe this is a positive contribution to a major societal issue.

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