

# **Creating a nation of selfbuilders**

**An interim report from the project *Selfbuilding: the production and consumption of new homes from the perspective of households***

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## Executive Summary

### *Background*

The selfbuilding of homes by individuals, or as a collective housing strategy, is currently being promoted as a solution to the housing crisis. Currently, selfbuild through various modes of delivery accounts for 8% of all new housing provision (NaSBA 2013). Drawing on the example from countries where selfbuild occupies a significantly larger share of new build housing, industry professionals and the government have turned to selfbuild as a way of improving and increasing supply. However, these strategies rely on a very shaky understanding of the housing crisis (and thus how to solve it through selfbuild); incomplete knowledge of the historical, structural and material conditions that have resulted in selfbuild occupying such a small share of the market; and a lack of systematic knowledge of who is selfbuilding in Britain today.

It is against this background that the findings reported here have been collated, drawing on survey data with selfbuilders, and semi-structured interviews with self-build professionals, government and other stakeholders.

### *Key findings*

- The ‘typical selfbuilding household’ consists of two people, often a married couple, aged between 40-69, with above average annual incomes, education of degree level and beyond. Alongside these socio-economic characteristics, prior property ownership and housing assets are significant in becoming a selfbuilder. These findings confirm that in its current iteration selfbuild in Britain is predominantly undertaken by middle-class households, high in economic and cultural capital.
- Current efforts by industry advocates and the support of the government focus on developing an infrastructure for self-procurement in Britain and increasing credibility and trust in the industry. Dimensions of this include the development of a market in Custom Build properties led by small developers, the release of land for selfbuild, and exemptions for selfbuilders.
- The term ‘selfbuild’ does not capture the diversity of self-procured housing in Britain. This presents particular challenges for measuring and assessing the state of selfbuild in Britain today. The introduction of any new terms would require significant education and awareness-raising.
- Financial constraints extend beyond the ability to get mortgage finance. The survey data shows that many selfbuilders are using a variety of different financial products and services in order to manage and maintain their cash flow throughout the project and thus to keep their projects going in a timely and cost-effective manner.
- Selfbuild in Britain and efforts to scale it up takes place within the wider contexts of the land and housing markets, and the market in new housing procurement. Products and services often emerge from these wider markets rather than being tailored to and designed for use in self-procurement. There is a demonstrated need for products and services that specifically supply the self-procurement sector.
- Forms of co-housing and mutual home ownership, although currently limited, offer possibilities for providing alternative routes into housing. In some cases, these

might challenge the wider structures and logics of the British housing market. However, examples of this in Britain are currently limited.

#### *Key conclusions*

- Conceptual clarity about the terms, products and processes that are part of a diverse self-procurement landscape is timely and necessary if the industry is to be recognised as providing a significant alternative for new housing.
- There is an urgent need for better and more accurate quantifications of the housing built through selfbuild routes. While the VAT returns data produced by HMRC aids in this, our knowledge and understanding could be improved if the Survey of English Housing included a question on whether selfbuild was a route into current owner-occupations and the Department for Communities and Local Government's Housebuilding Statistics on housing built by private investors could be disaggregated further to include selfbuild, self-organisation and self-commissioning of homes.
- Current government support for self-procurement should be understood in terms of the relationship between housing and the economy and the history of their interest in alternative forms of housing in times of economic difficulty and affordability in housing.
- In addition to the focus on the obstacles and barriers to selfbuild in Britain, there is an urgent need for careful attention to the structures of the housing and land market and the roots of the housing crisis if selfbuild is to be made accessible and appealing to wider portions of the population.
- While efforts to develop infrastructure are timely, the focus on the construction of the market in Custom Build as a way to increase housing supply may detract from the structural and cultural change required to make self-procured housing more accessible to wider portions of the population. Measures need to be taken to make sure that Custom Build does not just become another route for private investment in the property rental market.
- The development of financial products and services that not only provide mortgage finance but which also facilitate the management and maintenance of cash flow for selfbuild projects would be a valuable addition to the industry, relieving some of the stresses and strains associated with the build process.
- Increasing the products, services and expertise tailored to the selfbuild industry, with a focus on facilitation, would make this process seem less daunting and time-consuming for potential selfbuilders.

## Main Report

### 1. About the report

This report draws evidence from the first two stages of the ongoing project *Selfbuilding: the production and consumption of new homes from the perspective of households* (ES/K001078/1).<sup>1</sup> These stages consist of:

- I. **Online surveys** completed by (a) selfbuilders—104 respondents—and (b) potential selfbuilders—118 respondents—recruited through a variety of mailing lists.
- II. **25 interviews** with industry professionals, government and other stakeholders.

To a lesser degree, the report also draws on **continuing ethnographic research** within the industry and with households and groups engaged in selfbuild projects.

The report aims to outline existing knowledge of selfbuild in Britain—who is selfbuilding and why; how this is located in relation to the wider housing and land market in Britain—as well as analysing current efforts to make selfbuild housing (in its various forms) part of the mainstream housing offer.

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<sup>1</sup> For more information about the project visit the project website <http://bit.ly/1pz2tzP> or blog <http://bit.ly/1mIkYgi>.

## 2. The demographics of selfbuilders and potential selfbuilders

### 2.1 Characteristics of selfbuilders in Britain today

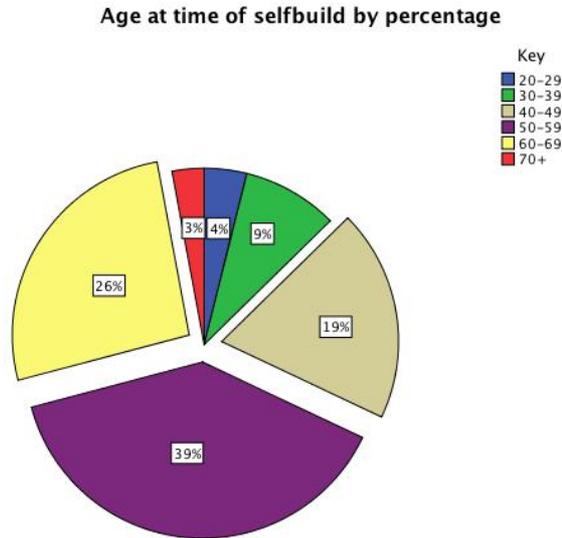


Figure 1: Pie Chart showing selfbuilders by age (Source: Survey ‘Contemporary Selfbuilders’)

The survey data reveals a perhaps unsurprising image of what we might refer to as a ‘typical selfbuilding household’. These are often, although not exclusively, two-person households, married couples or those living in civil partnerships (Figure 2), with age range from 40-69 (Figure 1); annual incomes at the time of selfbuild were often above the average household income, and a high percentage of respondents had degree level education and above. 89% of survey respondents had previously owned a property, demonstrating that property ownership and the accumulation of housing assets play a significant role within access to selfbuild in Britain.

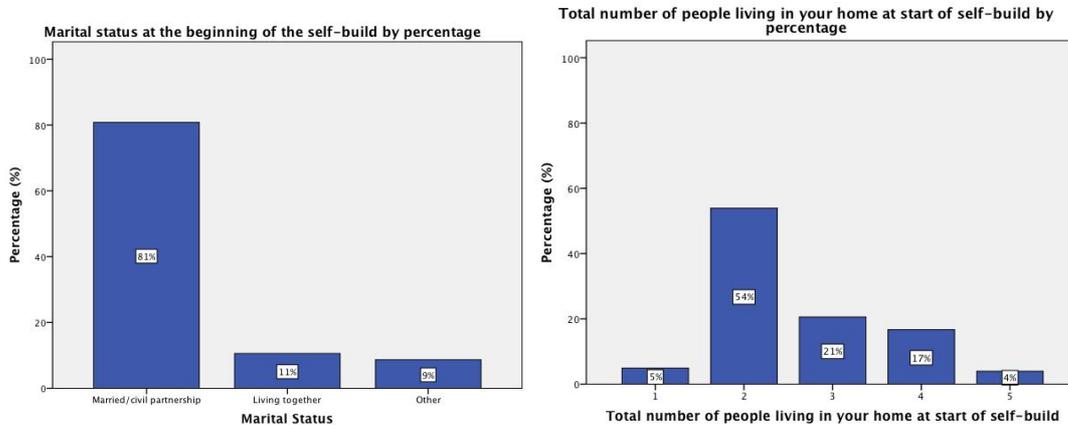


Figure 2: Bar graphs showing the relationship between marital status and selfbuild, and total number of household members and selfbuild (Source: Survey 'Contemporary Selfbuilders')

Of the selfbuilders surveyed only 7.4% cited a total cost<sup>2</sup> below £150,000. A further 10.5% claimed a total cost between £150,000 and £199,999. This means that *at most* 17.9% of the houses built were below the HPI average house price for England and Wales of £165,411<sup>3</sup>. Similarly, comparing the survey data to the average cost of a new build property, recently reported to be £233,822<sup>4</sup> reveals that *at most* 27.4% of the houses build were below this cost.

Among these respondents, the motivations behind selfbuild rarely focus on access to housing, while economic considerations have varying significance. It is clear that customisation and control over the shape and function of the resulting domestic space, ecological and environmental credentials, and sense of personal achievement are highly valued by this population.

The characteristics—income, education, assets and access to finance (see below)—of those surveyed confirm selfbuild as ‘a reliably middle-class activity’ (Brown 2008: 362; see also Barlow et al. 2001), that ‘enlarges the housing choices of middle-income nuclear families’ (Duncan and Rowe 1991: 1331). As Duncan and Rowe (1991) make clear, the costs of selfbuild and absence of state assistance exclude lower income households; alternative opportunities therefore need to be made available if self-procurement of housing is to be extended to wider proportions of the population. This remains a significant challenge to the selfbuild industry and to the government; to make selfbuild accessible wider proportions of the population will require significant structural change in housing procurement.

However, there is a need to be careful about generalising on the basis of such findings; when looking at the assets and occupations of these selfbuilders, it becomes clear that the selfbuild category, at least as represented by the survey data, includes people from a range of positions within the middle classes. While it might be easy to tell a story about housing trajectories and asset accumulation that facilitates the development of ‘Grand Designs’ it is also important to recognize that this is not the full picture. The survey data goes some way into demonstrating this.

## 2.2 Financing selfbuild

Financing selfbuild is one of the significant challenges faced by many selfbuilders (Wallace et al. 2013). The financing of these new build properties was arranged in variety of ways. For 62% of the respondents, selfbuilding was

<sup>2</sup> Total cost includes land purchase, stamp duty and other fees; cost prior to VAT reclaim. One caveat here is that total costs might not, in some circumstances, include land purchase as properties may be built on land that is already owned by housedholds.

<sup>3</sup> House Price Index for England and Wales (November 2013) - Further information available at: <http://www.landregistry.gov.uk/public/house-prices-and-sales>

<sup>4</sup> Reported in The Telegraph, 29th April 2013, based on statistics produced by Halifax: <http://www.telegraph.co.uk/finance/personalfinance/houseprices/10025232/New-build-house-prices-rise-by-12pc.html>

made possible by the sale of a previously owned property. This percentage is made up both of people who were able to completely finance their build through the sale of a previous property (23% total population) as well as those requiring additional funds on top of their housing wealth (39% total population). For 67% of the population, loans in the form of mortgage finance or from other sources were necessary to the process of selfbuilding.

Only 11% of the survey respondents were in the position where they neither had to sell a property nor take out a loan to finance their project. 29% did not sell but took out a loan to support their project; this figure includes both people who had no previous property to sell (8% total population) as well as those who were property owners but did not have to sell (21% total population). What this reveals is that while housing assets may be important to gaining access to selfbuild in Britain, these are often combined with other sources of funding in order to make these projects possible.

Drilling down into the data also reveals that while mortgage finance remains the most significant source of finance for selfbuild projects, this is rarely the only source of funding for projects. Borrowing in order to selfbuild may involve finding funds to cover the whole project, or may just represent a small fraction of the overall costs. As my ongoing research with selfbuilding households reveal, selfbuild mortgages are not the only source of finance; it has been common to find that people re-mortgage existing properties to finance selfbuild as this deemed an easier route into gaining finance. It is also clear that even when mortgage finance is available, further funds often have to be sought in order that cash flows are managed and maintained; given the restrictions and stipulations of some mortgage finance, there is often a need to think creatively about how to maintain this flow throughout the project to prevent costly delays. This is clearly reflected in the findings from the survey, which show that many selfbuilders find themselves adopting a variety of financial arrangements to help them through the build process. These may include loans from friends, family and other private individuals, credit cards and/or personal loans, as well as equity release schemes. Discussions with those relying on selfbuild mortgages highlight that while these are beneficial if this is sole source of finance for the build the terms by which and when these can be drawn down can introduce delays. It is for this reason that many households have found themselves using a range of financial sources to work their way through build process.

The examination of how such projects are financed reveals the complex arrangements that people put in place to manage their builds. This is significant to understanding the management and organisation of a project and the stresses and strains that this might place on households. Finance is an area where the industry could significantly improve their offer, both in terms of providing accurate information to selfbuilders about the costs and planning of projects, and in terms of thinking further about financial products that fit to the demands of this particular market. There is work to be done to make such selfbuild mortgages more fit-for-purpose or to introduce new financial

products for selfbuilders that would help them to manage better the cash flows demands of a selfbuild.

### 2.3 Who wants to selfbuild in Britain today?

The image of the potential selfbuilder does not differ significantly from the ‘typical selfbuilding household’ presented above. The motivations privileged remain the same as those selected by those who have selfbuilt, with a slightly higher percentage (95.8%)<sup>5</sup> privileging environmental factors than within the population of selfbuilders (89.4%). The main difference between the survey populations was that a higher proportion of potential selfbuilders stated that they are more likely to consider group selfbuild (29%)—although this varies by age and income with younger and those with lower incomes more likely to consider this mode of self-provision.

		Age					
		20-29	30-39	40-49	50-59	60-69	70+
Would you consider participating in a group selfbuild project?	Yes	3	8	7	8	4	0
	No	0	10	10	30	23	1
Total		3	18	17	38	27	1

		Annual household income							
		Under £20,000	£20k-£39,999	£40k-£59,999	£60k-£79,999	£80k-£99,999	£100k-£119,999	£120k-£139,999	£200k-£249,999
Would you consider participating in a group selfbuild project?	Yes	6	15	3	6	0	0	0	0
	No	4	23	16	9	7	3	4	2
Total		10	38	19	15	7	3	4	2

Figure 3: Potential selfbuilders and their desire to participate in a group project, disaggregated by age and income

<sup>5</sup> This percentage represents the cumulative percentage of those listing ecological and environmental factors as essential, high priority and medium priority.

### 3. Definitions and Measurement

#### *3.1 Selfbuild as a concept*

The first stages of the study highlight the conceptual problems with the term ‘selfbuild’, a term that has been variously used by this study and others as an umbrella term to include various modes of self-procured housing. However, this lack of conceptual clarity raises problems when operationalized within research as my survey findings demonstrate. I preface this by highlighting that the aim of the surveys was to provide a systematic account of who is selfbuilding in Britain today and who would like to selfbuild in Britain today, with the aspiration of capturing the diversity of this population. The picture that instead emerges reveals very little diversity. This, however, needs to be understood within the context of problems of definition.

#### *3.2 Problems of definition*

Although this background might suggest that the survey data is an accurate depiction of selfbuild in Britain today, I stress here that the findings be treated with caution. While it is evident that the findings summarised here represent a particular portion of the selfbuild population, it is pertinent to question what these findings do not reveal and why?

My suggestion here is that the survey captures only those who identify as selfbuilders, and perhaps therefore excludes others engaged in the self-provision of housing who are more marginal within the housing market perhaps due to a lack of resources and assets or ideological reasons. This is highlighted in the data in two distinct ways:

- I. As many stakeholders stressed in their interviews, the popular image of selfbuild is ‘Grand Designs’, Kevin McCloud’s popular television programme that showcases ambitious (and often costly) self-building projects. Current ambitions of the industry challenge this image, with the stated aim of making selfbuild a form of housing provision accessible to and appealing for wider proportions of the population.
- II. In my continuing ethnographic research, it has additionally become clear that those involved in co-housing or mutual schemes that include self-provision are more likely to identify themselves via the co-housing or mutual label rather than through the self-build label. They regularly question whether they are selfbuilders when introduced to my project. By stressing that they neither have the resources and assets, nor the ‘grand’ ambitions for housing to be a selfbuilder and the ordinariness of their projects, they reveal their own understandings of whom the selfbuild category includes and excludes. This demonstrates that the people involved are keen to create some distance between themselves and the public perceptions—and perhaps classed connotations—of selfbuild.

These examples highlight the problems of definition in terms of association and also in the context of the proliferation of terms and labels that people use to define their own modes of self-provision; certainly, using selfbuild as a

shortcut to explain this diversity has limitations, and effectively excludes populations engaging in other modes of self-procurement.

### *3.3 Notes on quantifying selfbuild*

A significant challenge to any project on selfbuild in Britain today relates to the lack of appropriate mechanisms for quantification. At present, market research on selfbuild relies on statistics produced by HMRC on the number of VAT refunds claimed under the ‘VAT431B – VAT refunds for DIY housebuilders’. Between 2012 and 2013, *Homebuilding and Renovating* produced a series of market research reports using this data to give a sense of the scale of selfbuild in Britain. Understanding that only some selfbuilders apply for VAT reclaims, they adjusted these by a factor of 1.5554 to get a more accurate estimation of the size of the selfbuild market.<sup>6</sup> On the basis of this data, they estimate that in 2012 there were 11,575 selfbuild completions, and for the first half of 2013 there were 5,065. These levels of completions constitute 8% of all new build housing. As Mark Brinkley highlights in his blog post on this topic, this data shows that the number of selfbuild completed in Britain is not really changing—since 1984 it has been stable between 10,000 and 12,000 (<http://bit.ly/1rBBANA>). Even with the adjustment on the grounds that not everyone who builds their own homes would complete a VAT reclaim, this data is far from a perfect measure.

In the changing landscape of selfbuild in Britain it is timely and urgent to call for new modes of quantifying selfbuild—through its various distribution routes. One suggestion is that the application for CIL Levy Exemption might be a good source of data; however, this might exclude properties considered as forms of self-procurement under new definitions such as Custom Build (see below). Other existing mechanisms for quantifying and qualifying housing stock such as the Survey of English Housing (SEH) and The Department for Communities and Local Government’s Housebuilding statistics might be better and more rigorous vessels for expanding our knowledge of selfbuilding in Britain. Specific proposals for the inclusion of selfbuild into these would be for the SEH to include a question on whether selfbuild (in its various forms) was a route into current owner-occupation or rental and for the Housebuilding Statistics to further disaggregate data on private investors to include selfbuild. These measures require clear and understandable concepts to be used if they are to successfully and accurately measure these changing modes of delivery.

### *3.4 An urgent need for conceptual clarity*

This presents particular challenges for industry professionals engaged in trying to consolidate the market. Furthermore, this problem of definition becomes all the more significant within the context of current strategies and responsibilities to measure selfbuild in Britain. Since the publication of the National Planning Policy Framework (2012) local planning authorities have been tasked with the responsibility of identifying the demand for selfbuild within their assessments of local housing need. At present, the lack of

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<sup>6</sup> These notes on the methodology used by *Homebuilding and Renovating* can be found at the foot of every report they produced in this period. For example <http://bit.ly/1oMO3vP>.

conceptual clarity leads to problems in measurement: simply put, local authorities do not know what they are measuring. It is critical that definitions are consolidated if these strategies are to be successful in encouraging and supporting a growth in the self-procurement of housing.

Against this background, I argue that there is a need for a more conceptually rigorous term to understand this social phenomenon where households take on some role, however small, in the organisation and provision of new housing. Self-procured housing may be a more precise way of referring to diverse projects that include both self-built, self-organised and self-commissioned homes, individual household and group projects (e.g. cohousing, co-operative and community-led schemes). However, as with the introduction of all new terms, as the experience of the custom build lobby demonstrates (see below), there is a need for significant education and awareness-raising if these too are to capture the diverse populations intended.

## 4. Structuring self-procurement

### 4.1 Locating self-procurement in relation to other markets and fields

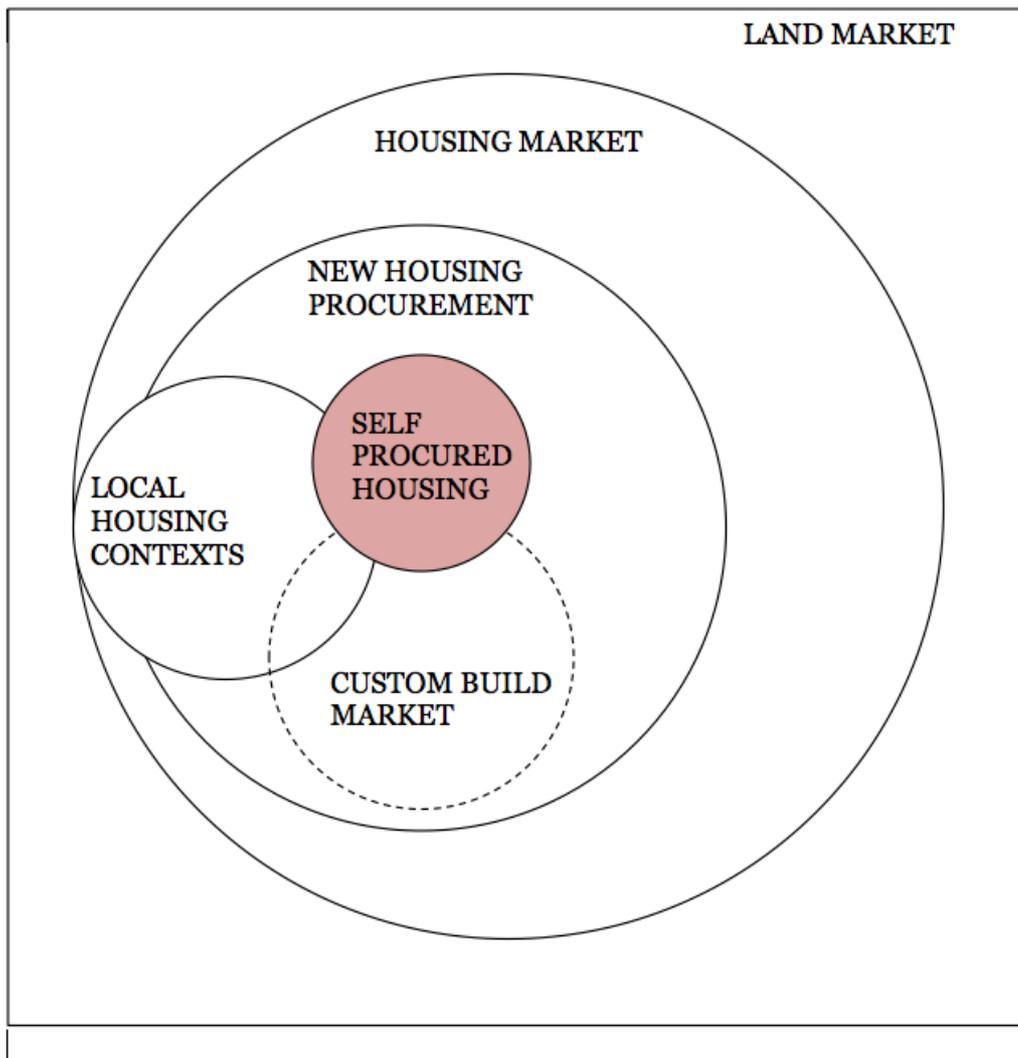


Figure 4: The intersections and nesting of self-procured housing with and within other markets and fields

Self-procured housing is thoroughly and inextricably entangled with wider housing and land markets and the submarkets of these (in particular local housing markets and the field of new housing procurement). Figure 4 depicts the intersections and nesting of self-procurement within the land and housing market. The model has been drawn up through the analysis of stakeholder interviews, capturing how self-procured housing is currently positioned in relation to different markets and contexts. It also proposes a position for the emerging Custom Build market (see below for further discussion),

demonstrating how this too is thoroughly implicated within wider markets in housing and land.

What this reveals is that for the most part, the efforts to make self-procurement mainstream in Britain today does not challenge the structures of wider housing and land markets.<sup>7</sup> This runs counter to the historic role of selfbuild in Britain. As Hardy and Ward (1994) detail in their research on plotlanders, housing development through self-procurement once took place outside of the housing market and conventional planning system. This provided a way for working-class populations to gain access to home ownership through sweat equity rather than economic capital (see also Ward 2002). The reduction of economic relations within such modes of ‘self-help housing’ might lead to a different model than the one produced here—if scaled up it might arguably make a significant structural change to housing in Britain—where self-procured housing was not so firmly implicated within the depicted markets and fields. As it stands, however, the majority of self-procured housing in Britain today is firmly located within the field of new housing procurement, itself nested within the housing market and land market. It does not function autonomously, and could otherwise be referred to as ‘self-procurement in the new build market’ (interview with Raymond Connor, BuildStore).

The influence of these broader markets on self-procurement is evident. Supply of land through the land market influences the possibilities for self-procurement as much, if not more, than other areas of new build housing procurement. For the large part, self-procurement relies upon the products and services—finance, materials, contractors etc.—of the wider housing market, which in turn results in problems with the supply chain for selfbuilders. This relationship pits self-procurement up against the volume housebuilders—who dominate new build housing in Britain—in competition for land, building materials and expertise.

It is the unwitting consequence of the rise of the volume housebuilders in Britain (see Wellings 2006) that self-procured housing occupies such a small portion of new build housing. Recognising that self-procurement is implicated within these markets reveals the source of the constraints on self-procurement and on its potential for growth as an industry. Similarly, it becomes clear that wider transformations within housing and land markets may have an influence on this field of housing provision.

#### *4.2 Government support*

The interest in supporting the development of selfbuild as a dimension of the housing market is notable. In 2012 the government announced the Custom Homes programme—£30 million of funding to provide repayable project finance to support alternative modes of housing provision. There is also a list of surplus public land available for reuse that can be publicly consulted that might

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<sup>7</sup> There are some notable exceptions to this e.g. LILAC, Liverpool Habitat for Humanity, Walter Segal Trust.

be used for self- and custom build projects. The interest continues through the establishment of an All Party Parliamentary Committee on self- and custom build (2014), the ongoing support from the Ministers for planning and housing, and the interest from local councils in supporting this in their areas. Most recently, Planning Minister Nick Boles demonstrated further the government's current support for people to build their own homes through the announcement of a £150million loan fund to prepare 10,000 serviced plots, consultation on a 'Right to Build' policy and the possibility of expanding the Help to Buy scheme so that people could use this to finance custom built properties. The Homes and Communities Agency also recently announced that selfbuilders would be exempt from the Community Infrastructure Levy, and continues to consult over whether they can also remove the Section 106 tariff charges from selfbuilt properties. Behind these measures is a stated commitment towards boosting the number of people who can build their own homes or engage in custom build programmes.

Such interest is understandable given the relationship between housing and the economy in Britain. The recent housing crisis, attributed by many commentators (for a notable exception see Dorling 2014) to a lack of supply and quality, as well as the slowing down or production by volume housebuilders, has spurred government interest in alternative modes of housing procurement. Self- and custom build (see below) are one such possibility. This interest in self-provision at a time of housing difficulties has precedent. As Duncan and Rowe stress:

In periods of economic difficulty and affordability problems in housing, self-provision often becomes a topic of increasing interest to governments ... It is thus important to have a clear view of who it is that uses self-provision, what the advantages and disadvantages are, and what barriers might exist in expanding this sector (1993: 1338).

The measures that the government have taken need to be understood within the wider context of the housing market. What is clear is that most of these measures are aimed at stimulating the market—in this case, through the development of a new submarket in custom build—providing more choice to house buyers. Access to government loans such as the Custom Homes fund is carefully controlled through European Union regulations, with the result that the most favourable repayment terms are only available to those with a demonstrated expertise and experience of development or registered housing providers. Community groups seeking to benefit from these funds have therefore been encouraged to go into partnership with small developers or housing associations and other registered housing providers. The process is such that potential buyers of serviced plots or other housing solutions do not need to be involved in applying for government funds. It can be assumed that the regulations governing the allocation of loans for the development of serviced plots will be the same. These government measures allow for the exploration of possibilities for developing the housing market in different directions, establishing whether and how alternatives to the current model of the housing market dominated by volume housebuilders might work.

Engagement with individual households and their housing needs is therefore mediated through these intermediaries.

Other measures focus specifically on communities and individual households. The CIL exemption and potential removal of Section 106 for selfbuilders, are aimed at reducing the costs of self-procurement. Community Land Trusts (CLTs), ‘a community-based organisation run by volunteers that develops housing and other assets at permanently affordable levels for long-term community benefit’ (<http://bit.ly/1hrb9WJ>), also provide possibilities to the mainstream market.

#### *4.3 Local housing contexts*

The local dimensions of housing and land markets are also critical to understanding self-procurement in Britain today. The insistence of the government that local planning authorities conduct Strategic Housing Market Assessments (SHMAs) that include a measure of the demand for selfbuild brings self-procurement onto local agendas. Additionally, local authorities have had to declare any public sector land being made available for reuse through the register for public sector land. The structures of the wider housing market—e.g. planning, building regulations, and policies about the disposal of public land—therefore influence local authorities and their engagement with self-procured housing. As a new inclusion to the planning and housing agenda, it will be some time before self-procurement is fully understood by local authorities and incorporated into local plans. It is clear that there has been an educational programme instigated by the National Selfbuild Association to this effect.

It is also evident that some local authorities have taken their own initiative, turning towards modes of self-provision as a way of improving housing supply in their areas so that it better caters to local demand. The two examples below illustrate quite different outcomes:

- I. Stoke-on-Trent City Council – There was a shortage of executive housing in the area, with the result that those in need of such housing were living outside the city. The council had some plots that were suitable for small-scale development, and decided to work these up as serviced plots for sale. These were sold by auction in December 2013 (for more information see <http://bit.ly/1akWFBP>).
- II. Cherwell District Council – Realising that there was a need for affordable housing in the area, Cherwell has taken on 250 plots all with secured detailed planning permission. The model is designed to allow for mixed tenure, as the council offers both purchase – through shared ownership or equity – and rental. Similarly, the work that households put into their property can be offset against the purchase price of rental value. Options for involvement in a build range from purchasing a serviced plot through to just decorating and doing the landscaping (for more information see <http://bit.ly/1tVqZvz>).

Both of these projects rely on making public land previously owned by the Homes and Communities Agency (HCA) or other public bodies such as the Ministry of Defence (MOD) and National Health Service (NHS) available for reuse. Their success is as yet unknown but these case studies indicate the importance of local contexts in decisions over how to scale up self-procurement. Once again, the focus here is on recognising where demand lies, rather than merely increasing supply. As with the Custom Build developers, by taking on a facilitation and/or enabling role, these councils hope that they will encourage trust in the process and therefore reduce risk to future stakeholders.

#### *4.4 Being an amateur in a professionalised industry*

The market in building materials, land, and design expertise, and industry professionals including contractors, planning experts, surveyors etc. are oriented towards working with other professionals on large-scale projects. This orientation is longstanding—a journalist interviewed for the project recalled his first selfbuild in the 1970s, where he struggled to buy materials because the suppliers would only deal with those with trade accounts. One consequence of this is the challenge for many selfbuilders of being an amateur in an otherwise highly professionalised industry. It is also clear that this remains a significant source of frustration for many selfbuilders. As (often) amateurs entering a highly professionalised industry, they find that they have a lot to learn about an unfamiliar field; this includes their lack of knowledge about the build process, materials etc. While the sources of information are available—specialist magazines and publications (including the much lauded *Housebuilders Bible*), Internet fora, other selfbuilders—there is an overwhelming sense that there is a need for more facilitation in this process.

As amateurs trying to engage in a professionalised industry, selfbuilders often assume that the professionals that they appoint have knowledge and understanding of processes, and place their trust and money in such professional services. However, it becomes clear that they find it frustrating that professionals seem ill-equipped to communicate with amateurs or to provide enhanced services that include explanation and knowledge-sharing. This is clearly a concern for the burgeoning industry; one solution is the introduction of specialist firms offering enabling and facilitation services, while it is also clear that longstanding professional services within the housebuilding industry (e.g. architects, planners) are looking to educate themselves about how to better communicate and work with individual clients.

At present, services and products specifically tailored to selfbuilders are limited, as for the most part, they rely on those designed for the wider housing market that do not fit well to the process of selfbuild. One example of this is mainstream housing finance, which is allocated on the basis of the valuation of properties; selfbuild mortgages are drawn down at particular points over the course of a build based on repeated valuations. However, this is only possible if the build is deemed eligible for financing through these means. As has been reported to me, longstanding survey and valuation methods have not been updated to include Modern Methods of Construction (MMCs) and so finance companies are sometimes unwilling to lend on properties using them. This is

just one example of how the structures of the wider industry may present obstacles to potential selfbuilders.

## 5. Selfbuild and the housing market

### *5.1 Transforming selfbuild*

Since I began the research in 2012, I have been observing the industry. The timing of this could not have been better; significant changes have taken place in the intervening period, with moves towards the facilitation of selfbuild on a structural level and a focus on making it an accessible housing option for a wider range of people. These include, but are not limited to the introduction of the Custom Homes Programme, inclusion of selfbuild in the NPPF and housing strategy, CIL exemption for selfbuilders, and the publicly available register of public lands released for reuse.

Without a doubt these achievements have been the result of relentless promotion and advocacy by a small number of industry professionals and organisations. These include the National Selfbuild Association (NaSBA), National Selfbuild and Renovation Centre (NSBRC), small developers and specialists firms (e.g. igloo, Hab), Buildstore financial services, and selfbuild networks and fora. Their efforts centre on developing an infrastructure for self-procurement in Britain.

In the first place these efforts have focused on encouraging government support and recognition for self-procurement. This provides the context within which they have been able to promote the development of services and products for the self-procurement market (e.g. finance, knowledge and facilitation) and lobby to make land more easily available for self-procurement projects. But it is also clear that there is an ambition to professionalise the industry, seen as a way of making them competitive with the volume housebuilders. This has required bringing together a disparate marketplace, connecting and joining up—as well as developing—industry-specific knowledge.

Ted Stevens, the outgoing chair of NaSBA stresses that the strategy for promoting selfbuild covers three main areas:

- (1) the development and consolidation of a selfbuild market – most of the energy on this is currently focussed on the establishment of a Custom Build sector (see below);
- (2) making land more readily available for selfbuild; and
- (3) collective housing solutions e.g. co-housing, community-led housing.

Beyond this, the promotion of self-procurement by these industry stakeholders involves continuing education of households, government officials, housebuilding professionals and other stakeholders, with the aim of raising its public profile.

To date, significant effort has been devoted to presenting forms of self-procurement as a normative, rather than unusual, housing offer. This presentation of ordinariness is intentional and deliberate, and attempts to allay critics who might otherwise perceive this as a marginal form of housing

procurement. Developing confidence in the market might just be a first stage in challenging the wider structures of the housing market. Indeed, there is a sense among stakeholders that by promoting self-procurement in these ways generates greater interest and support for the industry but also for individual selfbuilders.

This programme aims to stimulate the market, to provide proof of concept, thus reducing risk and developing faith in the industry with the hope of encouraging further investment. What becomes clear is that these professionals believe that by working within the housing market, they can bring about change in how it functions. The interest then is in producing a better-functioning housing market. Given that developing confidence and credibility in the marketplace is critical to these ambitions, it is perhaps unsurprising that advocates for self-procured housing in Britain work from within the market rather than outside the market.

### *5.2 Custom build as a housing market solution?*

Within the context of a recent housing crisis—understood as a lack of supply and the slowing of production—the self-procurement of housing has been publicised as offering an alternative to the mainstream housing offer (see also Parvin et al. 2011). It is anticipated that this can bring about changes in the wider housing market, deliver increased supply, diversify the housing offer and increase customer choice.

Over the last two years, energy has been focused on the development of a new market in **custom build**. This is a definition intended to capture the role of small property developers and intermediaries in facilitating access to demand-led housing, privileging householder choice and allowing for customisation of properties. This might include providing a range of products from selling serviced plots and housing shells, through to turnkey housing solutions. These diverse products are designed to help a range of people. For example, the development of a market in serviced plots has benefits for many potential selfbuilders currently struggling to find land and/or challenged by the practicalities and costs of providing services and infrastructure on these sites. Products are also designed to supply the time-poor with various opportunities to customise their homes, to overcome some of the significant challenges that many selfbuilders face including finding and purchasing land, accessing knowledge and expertise. This is part of an agenda focused on the expansion of self-procurement, making it accessible to wider proportions of the population. It is within this context that industry professionals are working within the market to establish a consolidated submarket around custom build.

What is clear is that this will provide homes through consultation with individual households, providing a challenge to the supply-led housing that characterises the current housing market by introducing demand-led housing. For the most part, custom build will deliver individualised housing solutions at scale, rather than focus on collective modes of production or design. This model for producing houses therefore largely conforms to the norms of British housing culture, where individual households desire individual(ised) homes.

At present, custom build is in the ‘proof of concept’ phase of product development. It will be some time before it is tried and tested, and trust in the model established. The hope from the industry is that this will lead to greater support for the model by the government but also by mortgage providers, planning authorities and other stakeholders supporting housing procurement. If this process is successful, custom build providers will gain a share in the market for new housing procurement, diversifying the housing offer.

It is clear that there is hope that by developing custom build as a marketable product that it might solve some of the ongoing problems with housing procurement exacerbated by the recession, both by increasing supply and through providing better quality housing at a reduced cost (in relation to volume housebuilders). In the latter sense it draws on the longstanding claims that significant cost savings can be made through the involvement of households in the production of that their own homes; in theory, the more a household does themselves, the greater the cost savings. Against this background, it becomes clear that the development of the Custom Build sector is not only a for-profit venture, but also has at its roots a commitment to intervening in the market to demonstrate that good housing can be more affordable.

In this way, it has modest ambitions to deliver some cost savings to households, although it is yet to be seen how this will be achieved across the range of products that the Custom Build sector plans to offer. To be clear, the savings achieved through selfbuilding result from ‘sweat equity’, the savings made by households doing work on their properties themselves converts into equity. While some of these savings are preserved in models of custom build where households take on some of the responsibilities for the development of the property themselves, it is unclear how these savings will be returned in other modes of delivery as full prospectuses for these schemes have not yet been released.

In my mind, a further concern about how custom build would create some relief from the housing crisis remains. In terms of affordability, greater attention to who is buying properties and for what purposes is critical. The emerging Custom Build sector should consider putting measures in place to ensure that these custom build models are not too readily appropriated by investors for use in the private rental market. Equally, if these are bought for rental, measures could be introduced so that rents are capped at an affordable rate.

The presentation of custom build as a solution to the problem of the housing market rests, as I have already indicated, on an interpretation of the housing crisis that focuses on the lack of supply in housing and the slowing of housing production during the recession. The current introduction and development of the custom build sector therefore relies upon and partially reproduces the economic structures of the housing market.

#### *5.4 Alternatives to individual housing procurement*

The support for selfbuild in Britain today has more recently turned towards a renewed interest in forms of cohousing. This is presented as a way of making housing affordable for those who find themselves marginal to the housing market but also as providing a much-needed sense of community. Changing representations of cohousing, demonstrating successful projects, and preparing a route map of how to do it are all a part of this promotion by selfbuild advocates and industry professionals.

There have been several well-documented and successful cohousing schemes completed in the last year. Perhaps most notable are LILAC (Leeds) and Lancaster Cohousing (Lancaster). The challenge in making these a more popular solution to housing need, I argue, is in develop a public consciousness and value for cohousing. These projects place community as a motivation within housing choice, and build community through the building of homes. While it is not always the case, community-led housing may also include a commitment to a different ideology about the relationship between housing and wealth. The LILAC case study illustrates this well, with their mutual home ownership scheme (see <http://www.lilac.coop/about-lilac/faqs.html> for more details).

Co-housing, and in particular, the development of this in relation to self-procurement of housing, has the potential to operate, at least partially, outside the structures of the housing market, contrasting to a normative culture of housing that privileges the individual household but also allowing for innovative financing solutions which challenge understandings of housing as sources of asset and investment. The products (e.g. financial services) that facilitate such projects, although perhaps tailored towards more innovative housing solutions, remain constrained by the dominant structures of the housing and land market.

## 6. Conclusions

This report has outlined the characteristics of the people who identify as selfbuilders in Britain today, while also stressing that there is diversity within this population that needs to be attended to. The particular focus on finance reveals that the arrangements that many selfbuilders put in place are complex and require careful management throughout the build; although this may be true of how other homeowners finance their purchases, in the case of selfbuild the limited supply of selfbuild-specific financial products exacerbates the financial stresses and strains placed on households.

The report also calls for a serious reconsideration of the appropriate terminology for referring a wide range of housing procurement practices and how these are measured. At a time when there are efforts to scale-up the industry, conceptual clarity is critical. As I have argued, it may be better to adopt self-procurement as a way of referring to these different practices and to make sure that significant education and awareness-raising are put in place in order to introduce any new terms. There is also an urgent need for better vessels for measuring the extent of self-procurement in Britain.

As the report has shown, self-procured housing in Britain today is firmly implicated in the wider structures of the land and housing market. Therefore, to understand self-procurement, it is necessary to examine it in relation to these wider structures. The report goes some way towards achieving this. As it demonstrates, current efforts to scale up self-procurement through the development of custom build, alongside other government-endorsed stimuli, need to be understood in terms of efforts to produce variation in the market for new housing. Such efforts to provide alternatives are unsurprising at a time when the housing market is perceived as not functioning. On a local level, best practice for assessments of how modes of self-procurement focus on local housing need. The experience of individual selfbuilders, however, highlights that an industry focussed on facilitating and enhancing the experience has yet to be developed. Their accounts often stress the challenges of being an amateur in the highly professionalised housebuilders marketplace.

Finally, the report focuses on the scaling up of selfbuild, a process that is currently focussed on removing some of the barriers to selfbuild in Britain, and the introduction of Custom Build as a mode of housing procurement. As I highlight, these are often measures that work within the structures of the current housing market, and thus partially reproduce the economic structures of this. Arguably, the need to develop credibility and trust in this alternative modes of housing procurement requires these are established within existing contexts; this might allow in the future for the possibility of challenges to the housing market from within (rather than from without). The revived interest in forms of community-led and co-housing schemes also demonstrates that there is a future in thinking about how to make self-procurement more affordable, but also in developing models of housing procurement that, through alternative

ideologies, might challenge the assumed norms of housing provision in Britain today.

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