

# A professional manifesto

The tumultuous times we live in show no sign of calming just yet, leaving us with the responsibility to steer policies in the right direction says John Assael

The times we live in are far from boring, and the result of the general election is testimony to this. Everyone took for granted the outcome, citing polls and penning columns that proclaimed the inevitable. Yet the result was very different from what everyone expected: a hung parliament.

Ironically, the result of a hung parliament is befitting for the uncertainty of our political times. The looming Brexit negotiations are already underway and we are no more aware of what deal we are aiming for, or even the desired outcome of the negotiations. This uncertainty has bled into domestic politics, producing a government which can barely govern with certainty and a house divided across many lines.

For our sector, these events are extraordinarily frustrating. The previous government laid the groundwork for tangible change in housing, planning and construction. The housing white paper, the industrial strategy green paper and multiple select committees and consultations have acknowledged the fact that our housing market is broken and our construction industry is not fit for purpose.

All the government debate and activity around housing proves that it has never been such a pressing subject. The housing crisis in the UK shows no sign of ceasing, and has reached endemic levels in major cities such as London. It affects all of us, in both our professional lives and our personal lives.

The current domestic uncertainty and the looming Brexit negotiations threaten to push housing further down the agenda, undoing all the great work that has been done. This will be a catastrophe that we need to prevent.

That is why Assael Architecture has put together a 'micro-manifesto' that aims to keep the pressure on the new government. The manifesto covers nine subject areas that require the attention and support of government in order to build much-needed homes throughout the UK.

The first area that needs attention is something that we have seen rapidly increase over the past decade: homelessness. Homelessness is a symbol of a failing society. People's inability to access the shelter they deserve puts and enormous strain on

public services, through health issues and other negative social effects. The Housing First policy, pursued in Scandinavia and North America, has now started here in the UK and needs to be supported by the private and public sector. The policy has proved a highly effective way of reducing the number of rough sleepers by providing a home for those with acute needs and histories of entrenched rough sleeping.

However, any policy that is serious about tackling homelessness needs to be centralised with realistic levels of funding. Too often the emphasis is put on local authorities when what is needed is an initiative that brings together experts in housing, education, justice and healthcare from both the public and private sectors to help people get the shelter they need.

The housing crisis is at its most acute in urban areas. Cities like London are crying out for new housing supply, with rents becoming increasingly unaffordable. While space standards for affordable housing need to be protected at all costs, the required standards for private need to be more flexible. The rigidity of these standards fail to consider the new forms of living that are becoming prevalent in cities. Many people are happy to live in smaller spaces when they gain the convenience of a reduced commute and where there is plentiful communal amenity space in the building. Space standards for private housing need to allow for these new forms of living, otherwise housing supply will continue to lag hopelessly behind the demands of our cities.

Whilst increasing the number of homes is of the utmost importance to the new government, the quality of these homes shouldn't be left by the wayside. Multiple stories have appeared on TV and in the national press on the sub-standard quality of new build homes throughout the UK, implicating some of Britain's biggest housebuilders and tarnishing their reputations. The cost of poor design - and poor implementation - usually falls on homeowners, but with more long-term investors entering the residential market the incentives are shifting.

The policy environment needs to focus on creating construction standards that prevent build-quality issues, maintenance costs spiralling and snag costs. This could be done through building



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regulations, with the upshot being a quicker, cheaper planning process. Maintaining construction standards is vital at a time when many consumers are losing their confidence in large housebuilders. Earning their trust and improving the confidence in the market should be a priority of the new government.

Density has long been a contested issue within the British housing market, with the high-rise inviting connotations of neglect and dystopian urban expanses. Yet increasing density will undoubtedly play a part in solving the housing crisis. Planning needs to allow for denser design, in terms of height and space requirements, while allowing low-density buildings to be renovated. This won't be feasible at a local authority level so we need to have clear, region-wide plans around density to ensure that planning delays are reduced and costly legal payouts for planning appeals are avoided.

Solving the housing crisis in Britain is no small feat and will require a radically different way of doing things. Offsite construction is one area where we have seen tremendous progress. No longer do modules resemble their distant ancestors of the post-war era. The level of quality and energy efficiency found in the modules being manufactured today can be superior to homes built using traditional construction methods, and they take around half the time to build. However, offsite construction needs sufficient factory throughput to make it a viable means of construction for both developers and housing associations. Policy, therefore, needs to create a consistent rate of demand and de-risk further factory expansion, as we currently don't have the productive capacity to solve the housing shortage by modular means. With Brexit, there will be a reduction in the number of construction workers from Europe too.

## Assael's micro-manifesto: Building a Better Future

This year's snap general election has brought with it the snap drafting of political manifestos, setting out what voters can expect from their newly elected government. Amid calls from the Tories to cut immigration and make people pay for social care through housing, Lib Dem proposals to liberalise drugs and Labour's move to nationalise water utilities, building new housing has remained a hot topic.

February's Housing White Paper set out a distinct change of direction away from home ownership at all costs. But significant thinking still needs to be done to tackle the wider challenges we face in housing people across UK cities. The advent of new mayors brings with it a great opportunity to better coordinate city planning, just as successive London mayors have sought to harvest investment and innovation.

Assael Architecture believes that great design and better housing should be delivered throughout the UK, regardless of politics. Our micro manifesto is intended to inform debate around national and local politics, challenging thinking about how the private and public sector can come together to improve the design and livability of our cities.



### 1. Homelessness

A radical Housing First approach could help support efforts around mental health, and reduce growing numbers of rough sleepers

Homelessness is no less a public health issue than drink driving or obesity. And it's a material fact that homelessness and mental health issues often go hand in hand. By taking more radical and proactive steps to address the issue, we can save millions of pounds bouncing problems down the road to the NHS or the prison system. People who receive the help they need early on can avoid either route. Too much emphasis is placed on local authorities to provide solutions when they need to be coordinated centrally, with realistic levels of funding. We need to bring together not just charities and housing experts, but figures from education, healthcare and justice.

Similarly, a singular focus is placed on affordable housing as a solution. Private developers should pay a fair contribution, but there are swathes of people who need help and support that goes beyond housing assistance. We should look at directly creating supported housing that offers people shelter and then allows them to address issues such as addiction and relationship abuse.

Housing First has been successful in North America and Finland. It would be possible to garner private investment if these were underpinned by housing benefit contributions, but these will not be without short-term cost.

The long-term benefits, however, are clear. Without real change, an unacceptably large number of citizens will remain disenfranchised.

Chris Hancock, Head of Housing at Crisis, said: "Ending homelessness is increasingly the key challenge facing local communities. The number of people having to sleep rough has grown rapidly over the last five years and is a symptom of the UK's broken housing market.

Sadly, we have not seen as much focus on the necessary permanent solutions whilst we have seen an increase in activity and policy which has not been focused on helping get rough sleepers off the street, but rather punishing them for being there. From boarding up porticos, to concrete spikes being installed on walls and under bridges,

soon as possible to activate their revenue streams. This incentivises developers to choose building techniques that are faster than traditional methods.

New approaches to mixed-use can create developments that enable cultural spaces to thrive alongside residential units. Nightclubs and music venues have long been in decline in UK cities, despite British music being known around the world.

By designing mixed-use schemes that combine both new homes and new space used for entertainment or cultural purposes, the increasing trend of venue closures can be reversed. Assael Architecture's work on Riverside Studios in Hammersmith is a

these approaches have done nothing to help get people off the streets.

The third sector cannot be expected to solve homelessness alone; there needs to be comprehensive support and commitment across statutory, voluntary and commercial sectors to help people get the shelter they need."



### 2. Space standards

The rigidity that space standards cast over the housing market prevents new, innovative types of housing from being built easily. Without a more flexible approach to the space standards for private homes, the crisis is only going to worsen. The inflexibility of these standards is at its most apparent in urban locations, where large swathes of people compete for scarce housing.

The incoming government needs to rethink the archaic space standards for private housing that fail to recognise the changing needs of consumers and the increasing provision of shared amenity spaces, work areas and communal lounges. While minimum space standards are essential for affordable housing, in the private realm it is nonsensical to ignore the truth that plenty of people are happy to live in smaller spaces in central locations where space is at a premium and where there is an amenity offering.

Demographic and cultural changes mean that the book, record and video collections that people once maintained are all contained on the 'cloud', while more people work longer and eat out, all reducing the demand for space. Some would happily gain convenience and a shorter commute and

A diversity of tenures was a policy pursued by the previous government and is something that needs to be seen through. The emerging Build to Rent sector is providing rental homes for Britain's nine million renters with a level of professionalism and quality of service that has not been seen before in the private rental sector. Build to Rent is also attracting foreign investment into the UK, providing fresh capital for the housing market and pioneering new forms of living. What's more, the business model and unit-design make Build to Rent perfect for pursuing modern methods of construction, such as offsite construction. The developers and operators want to get the buildings open to residents as

great case study for this model, bringing together high quality residential apartments with television and recording studios, a cinema, cafés and restaurants. As people start to spend more and more money on experiences rather than buying objects, design needs to provide spaces where experiences can be created and cherished.

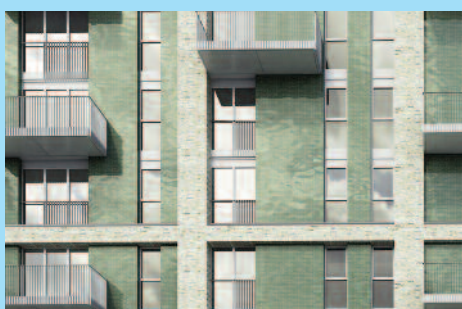
The tumultuous times we live in show no sign of calming just yet, leaving us in a position of responsibility to steer the policy in the right direction. We must make demands on the government to ensure that our industries are not left by the wayside, and that homes and cities are built in the best possible way - with the future in mind. ■

>>> accept a reduction in the space at home.

The planning system needs to better appreciate these changes and the offerings that different tenures provide the market. Communal, amenity-driven spaces, where residents can still enjoy all their home comforts, reduces the need for large bedrooms and kitchens. Without the government reviewing the standard requirements needed to label a development as 'habitable', the supply of housing is going to continue to fall short of demand. Economic and cultural changes are driving changes in what people want from their homes.

Space standards need to reflect this fact. Simon Chatfield, Director for Research & Operations at Be:here, said: "Having undertaken significant research into what renters want over the last five years and with two operational Build to Rent schemes we find ourselves with a wealth of data into who exactly rents the homes we provide and what their needs and aspirations are for the way they live in today's world. It is clear that these needs are changing and we need to change too if we are able to offer what renters want.

This requires us to innovate in the way we design the homes and buildings that we develop, as well as the services and facilities we provide. In order to do this we need to be able to create new ideas – in particular we need to be able to offer a range of homes to cater for the wide range of people that wish to rent them. We cannot resolve the housing crisis but with flexibility around key areas, such as space standards, we can make a significant contribution by providing attainable, well-designed and professionally-managed homes for tenants across cities in the UK."



### 3. Construction standards

The problems that are starting to surface around build-quality, notably astronomical maintenance and snag costs, have won the attention of government, industry and national newspapers. Enduring quality is an issue that has plagued many new builds in the UK. Unfortunately, the recent media reports are only the tip of the iceberg as it is likely that many more reports of poor build quality will surface in the coming months.

The policy environment could do more to

ensure that build quality is maintained throughout the construction process, making sure that the homes being delivered are habitable and enduring. Introducing design standards is conducive to creating a collaborative dynamic between architects, contractors and trades from the nascent stages of every project.

We believe more of this can be enforced through building regulations, with the upshot being a quicker, cheaper planning process. While the costs of poor new homes ultimately fall on consumers, with more long-term investors building homes for rent, the incentives for change are shifting. Poor design leads to higher maintenance costs which dent returns and chip away at a company's reputation. In an environment where the public has become increasingly distrustful of large corporations, it's important that we address these issues.

Mark Farmer, CEO & Co-founder of CAST, said: "The recent media focus on construction quality, especially in the house-building world, has brought the long-standing debate about 'cowboy builders' and consumer dissatisfaction in the domestic housing market, uncomfortably close to commercial real estate developers and funders. Many of the problems now being experienced across the board are a direct consequence of capacity pressures with an overall dilution in the standard of design, workmanship, supervision and sign off procedures.

Any incoming government needs to take these issues very seriously and to look at how confidence can be restored in the quality of the industry's delivery. This can be through promotion of more modern, factory-led construction techniques as well as improvement in the accreditations of both the skills and qualifications of workers and the products being built."



### 4. Urban planning for high density cities

As more and more people are drawn to cities like London, there is going to be an ever-increasing demand for homes across a variety of tenures. The housing crisis is at its most acute in cities. Growing populations spawn demand for infrastructure, commercial space and public realm built to deal with the additional strain. Meanwhile, the stand-off over green belt devel-

opment continues in the North and South. When combined with the challenge of reducing carbon emissions, city planners face a uniquely difficult conundrum. Policy must direct planning to allow for high density design, both in height and space requirements, to be delivered at speed in areas that are well-served by public transport.

Also, planning needs to provide scope to replace, or build over, low-density buildings such as car parks and retail warehouses, which contribute little to urban areas. To create high density cities, planning policy needs to take a flexible approach that respects the specificity of each site. For example, avoiding a rigid application of open space standards if there are good facilities nearby and adequate provision in the wider area. Urban planning should embrace the advances in building technologies, such as modular construction, prioritising public land for those willing to embrace new technology.

Offsite construction has the potential to deliver buildings faster, with less waste and disruption, in a more sustainable fashion. Making it economically viable is a challenge. Having clear, region-wide plans around density can help ensure planning delays are reduced and costly legal payouts for planning appeals are avoided. But integrating these plans with surface access plans, infrastructure investment and other key services is a must. Doing this at local authority level will not be viable, and this is hopefully a lead that can be taken by the new regional metro mayors.

Bill Hughes, Head of Real Assets, at Legal & General, said: "The Government should consider strategies to incentivise urban regeneration and the development of brownfield sites. We need to encourage greater density of build, particularly around transport hubs and in town centres. Using residential development as a catalyst for regeneration, we can bring people back to the centre of our cities, retain talent and boost economic productivity. Urban planning, and the policy framework that supports it, should reflect the needs of the cities and understand the challenges facing the urban environment. Constantly looking to the future, factors such as sustainability and efficiency need to be brought to the forefront of urban planning policy in order to future proof our cities."

### 5. Offsite construction

Offsite construction, and other modern methods of construction (MMC), will play a vital role in achieving the ambitious housing targets set out by the government. Offsite construction can provide high-quality, energy efficient homes far quicker than traditional construction, without the maintenance costs and the drain on the dwindling labour supply. Yet, the current capaci-



ty for offsite in the UK can only produce around 15,000 units a year – a fraction of the homes needed to solve the housing crisis.

What's more, without a steady rate of demand for offsite construction, there is little incentive for manufacturers to increase their capacity due to the overheads incurred when demand is low. Policy could be crucial in creating a constant pipeline of throughput for modular manufacturers, helping them achieve scale and encouraging them to expand capacity further.

By de-risking the expansion of capacity for modular manufacturers, the sector could scale-up to contribute a substantial amount of homes to the market. However, policy needs to be agnostic to the type of system used in factories in order to enable fair competition between modular manufacturers.

The recently published Housing White Paper sets out initial ideas that the incoming government should make a priority to see through. Initiatives such as freeing up public land for offsite-led developments will lead many developers to take a closer look at the viability of modular construction, as well as creating the stability offsite needs to prosper.

James Lidgate, Head of Housing at Legal & General Capital, said: "Offsite construction, with the right support from both government and industry, could play an enormous part in solving the housing crisis. Of course, there is no silver bullet for the challenges we face in this market, but it can make a significant contribution to delivering homes at pace throughout the UK. Diversification goes beyond housing tenures. We need more entrants to the sector and new business models to deliver the shortfall of new homes – building houses faster and more efficiently than ever before. The policy priorities are to create a stable rate of throughput for factories to make them economically viable and incentivise expanding the productive capacity of modular providers in the UK.

Off-site manufacturers need confidence that their product will have the scale of demand necessary as the sector goes through its initial journey of becoming a mainstream construction method. To this end, we are strongly supportive of government initiatives such as the Accelerated Construction Programme that seek to do just this. Additional

confidence in the sector can be provided through the implementation of minimum offsite build requirements on large developments.

This includes through reducing or eliminating section 106 or CIL requirements on builds incorporating a certain level of innovative construction techniques, or specifying some or all affordable housing grant only be provided where offsite technology is being utilised."



## 6. Build to Rent

Britain's 9 million private renters have a vote and politicians have realised they deserve a better deal. Corporate landlords have the potential to offer that, building more homes, quicker with long-term institutional finance. Build to Rent has grown in popularity with investors, but policy makers need to better understand the differences between housing designed and funded for rent, versus properties built for sale.

A growing variety of developments are emerging: some take the U.S. approach of offering attractive, shared amenity spaces while others are comfortable with a more stripped-back approach. Many housebuilders are now doing deals with investors alongside the array of forward-funding deals occurring.

Award-winning schemes like Essential Living's Creekside Wharf, designed by Assael and winner of the Sunday Times Homes Award, have shown that build to rent can support real innovation in design – not just in offering communal facilities, but in dealing with the needs of different demographics. Build to Rent is attracting politicians as it brings in fresh capital into the UK economy. Because there's income at stake, the companies have a commercial imperative to fill the homes quickly and keep tenants happy. We see design as being crucial to that, but also a policy environment that understands the nuances and complexities that come with building investment properties.

The government's shift away from home ownership is testimony to what Build to Rent can deliver for the residential market. It needs to cement many of its proposals firm in the National Planning Policy Guidance and mandate rental targets from councils. Policy should provide recognition of discount market rent (DMR) as a form of affordable housing. Providing traditional social rented accom-

modation, managed by registered providers, within Build to Rent developments is not possible. It is therefore important for there to be recognition of DMR in order to streamline planning and the overall speed of delivery.

Darryl Flay, CEO of Essential Living, said: "Our ambition is to create truly aspirational housing at a range of price points. The growth and popularity of the build to rent sector is welcome as there is a scale of demand far beyond what any single business can provide. Successive governments have taken steps to support the sector because they want to attract institutional capital that can build more homes, quicker.

We hope many of the sensible suggestions of the white paper are taken forward. The big untapped opportunity for this market is using public assets to form JVs that could create long term income streams for councils and public bodies from rent, allowing the state to generate profit without selling off the family silver."



## 7. Cultural spaces

Culture is the life blood of all great cities. Yet it is increasingly being priced out of the cities. We need to strike a balance. British art, music and fashion are known throughout the world. Cities have inspired and nurtured some of the world's most striking talent. But a crushing business rates regime, militant licensing and social shifts have seen many once-bustling music venues and arts clubs shut, replaced often by anonymous chain stores or housing.

What we need is balance. And if that means designing smarter schemes that subsidise arts and media space with housing, then we should do this. Policy must allow small and medium-sized cultural venues to flourish. While London's Night Tsar is a step in the right direction - and is an example likely to be mimicked in regional cities - more could be done around planning laws and noise regulations to support cultural venues throughout the country.

For example, Local Authorities should consider using an Article 4 Direction and other legal contracts to protect music venues and maintain their accessibility. What's more, developers could work collaboratively with planners in order to set up 'cultural zones': areas set aside for music, art and culture activities that aren't scrutinised to the same

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>>> degree as developments without such zones.

Mark Davy, CEO of FutureCity, said: "As cities realise the value of culture to create destination, places and to differentiate them from competitor cities, you need to have a more sophisticated relationship between planners, developers, politicians and the cultural sector. The current reality in Britain is paradoxical in nature.

At a time when the market 'gets culture' as a business proposition and is beginning to invest in the arts, the public sector is experiencing a downward spiral of funding with performance and cultural venues closing at an alarming rate due to ever-increasing urban rents, loss of subsidy and tightening laws and regulations.

The evidence is growing that culture helps make places, provides authenticity and experiences and promotes inclusion and collaboration. This in turn creates places where people want to live, work and play. Now – more than ever - planning rules and policy need to protect, nurture and encourage cultural spaces.

Without them our knowledge and creative economies will suffer throughout the UK."



### 8. Parking

Cutting congestion and pollution is undermined by cheap parking which fails to force people on to public transport. Autonomous vehicles (AVs) are fast approaching, but we need to hit reverse before that to avoid the road to nowhere of city centre parking. Self-driving cars, like the growing army of cyclists seen in some cities, will change the way traffic flows.

But it's not the rapid technological advances around AVs that mean we need to scrap current parking policy. It's the critical need to cut emissions and congestion as cities across Britain have pollution comparable with Shanghai. Given how parking remains relatively cheap in many areas, in spite of congestion charges which do little to avert demand, driving up the cost of parking would see demand dwindle. This could not only free up large swathes of land – valuable in-fill between buildings in central urban districts – but free developers from the shackles of having to give over space for unused parking bays within their developments.

By reducing the amount of parking designated to traditional vehicles in cities, vital land will be



released for housing, public realm or cultural spaces. Also, if policy is prepared to pioneer AV technology, it will push the development of other forms of autonomous technology that have commonalities.

Britain may be behind other global leaders in robotics, but by tailoring our cities to the arrival of AVs, we can make sure that the UK benefits from the head start.

### 9. Finance

Having a market that operates unencumbered by politicians is crucial but there are several areas where policy support has been of value and where some fundamental changes are needed.

Firstly, while it's vital to take a prudent and controlled approach to managing risk and debt, allowing councils to borrow for investment in income-producing housing makes sense. The next government should look at structures that will enable this to be done strategically and on a regional basis. The new metro mayors should be given oversight of funding for housing and properly empowered to take decisions. Devolution must work both ways, empowering regions to make cuts and take spending decisions.

Secondly, ensuring that the financing of market rent or later living developments can be made viable depends on planning policy taking effective note of such developments function. In short, they

must recognise that they are fundamentally different from housing for sale and offer developers appropriate headroom with CIL and section 106 charges.

Thirdly, ensuring HCA funding can continue – both in support of unlocking vital infrastructure or supporting the construction phase of Build to Rent developments – is also necessary. Partnering with banks and enabling projects to come out of the ground quicker as a result can only be a good thing.

Chiara Zuccon, Head of Private Rented Sector & Director of Residential Development at RBS, said: "We have partnered with the HCA to help deliver hundreds of homes through its Build to Rent fund. Clearly there is an excellent opportunity to add to the nation's housing supply, as universally recognised by policy at both a regional and national level. From a funding and valuation perspective, developments for rent are fundamentally different from those for sale, and planning policy should consider those differences when considering the viability of new schemes." ■

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