

# The housing White Paper

## Some summaries and commentary

Last month the Secretary of State set out the details of the housing White Paper in a statement to parliament, with measures including:

- Forcing councils to produce an up-to-date plan for housing demand
- Expecting developers to avoid "low-density" housing where land availability is short
- Reducing the time allowed between planning permission and the start of building from three to two years
- Using a £3bn fund to help smaller building firms challenge major developers, including support for off-site construction, where parts of buildings are assembled in a factory
- A "lifetime ISA" to help first-time buyers save for a deposit
- Maintaining protection for the green belt, which can only be built on "in exceptional circumstances"
- Introducing banning orders "to remove the worst landlords or agents from operating"
- Banning letting agents' fees

## Modular homes for London's key workers

### Kieran White explains how modular construction is starting to meet the needs of first-time buyers in London

In last year's autumn statement, the government pledged £285 million for accelerated construction techniques through the National Productivity Investment Fund. Modular construction also featured in the recent housing White Paper as a way of speeding up the delivery of homes and diversifying the housing market.

Partnering with Pocket Living on several projects has allowed Vision Modular Systems to deliver new housing for first time buyers and key workers. Their most recent project is located on the China Walk Estate, just a few minutes walk from Lambeth North and Westminster tube stations. Each apartment has been built according to Pocket's award-winning design specification. The two blocks on Sail Street and nearby Juxon Street in Lambeth will offer 70 apartments and were designed by HKR Architects.

All of Pocket Living's buildings are community focused, with shared spaces, such as roof terraces, where residents can meet and relax. Residents will



also have access to a walled courtyard with benches and trees. They move in later this month.

A development of this scale built using traditional construction methods would have taken around 24 months to complete, but using modular construction greatly reduced total build time.

Vision Modular Systems also partnered with Pocket Living on Mountearl Gardens in Streatham. Pocket Living and Vision Modular Systems are currently working on Europe's tallest modular residential tower in Wandsworth, at Mapleton Crescent. The 89-unit development will be spread

We start with a light hearted runthrough from Rebekah Paczek at Snapdragon Consulting

#### Bob The Builder at No.10

The big headline is the shift away from home-ownership being the be-all and end-all to an equal focus on renters and build to rent. This is a welcome move from the government and marks the success of the long-term lobbying campaign by the property industry. It is also a significant break from the Cameron/Osborne era and we may be able to expect the Budget to reflect this in March.

The Paper pushed the regional devolution agenda as key to addressing local housing shortfalls and dynamics. This is a positive move for those areas going down the devolution route but more problematic for those not on that railroad yet. It also, conveniently, helps the government devolve any blame for non-delivery whilst still being able to claim credit for success (or perhaps I'm being too cynical).

There is actually much that will be welcomed in the paper, if not quite a few details which need to be ironed out and a few aspects which seem unreal-

istic. However, never let that get in the way of a sarcastic canter through policy:

#### The People Are Revolting!

The paper identifies that over 40% of local authorities do not have an up to date local plan. This is not news, but the Paper does also focus on the fact that the prime reason for this is the way in which local politicians respond to local attitudes towards housing – not that the Paper mentions the word NIMBY or the BANANA phenomenon, but, reading between the lines, that is what it means.

#### The Fatcats Are Getting Fatter

Landbanking rears its head again as a cause for concern. Despite successive governments having failed to find genuine evidence of landbanking, it is still regarded as one of the primary reasons for development being slow. And this government is going to stop it... Just so long as they don't launch yet another enquiry into landbanking, throwing academics rather than solutions at the problem has never really seemed to work long-term. In this instance it is really more focused on

ensuring developers implement permissions more quickly and therefore land use is made more efficient, so it is a mild accusation at this stage.

#### It's Just Not Fair...

Too few firms, building too many of the homes means competition and diversification of construction methods just isn't happening. Everyone has known this for years, no one has succeeded in doing anything about it so good luck with that one.

#### Local Authorities Aren't Cutting It

Local authorities come in for criticism regarding their approach to consenting schemes, assessing land supply, interpreting the planning system, working with developers and other local authorities – and a whole host of other things really.

#### And This Is What We're Going To Do About It...

So, some interesting measures being proposed:  
• A new standard methodology will be produced to calculate 'objectively assessed need' which means local authorities can no longer use their >>>



over 26 storeys and is expected to be finished by early 2018.

Marc Vlesing, chief executive of Pocket Living, says that getting high-quality homes built quickly is key to solving the housing crisis\*. Modular techniques will play an increasingly important role in meeting this challenge and, through our partnership with Donban and Vision Modular, over a quarter of Pocket's future pipeline will be built through



modular construction.

"For modular to really take off as a viable construction method, the Government and lenders should look at making it easier for SMEs to access the working capital needed to take advantage of its benefits," he comments. ■

Kieran White is managing director at Vision Modular Systems

\* See Marc's contribution to the London Planning & Development Forum meeting in the last issue of PiL.

>>> own approach and effectively abdicate responsibility for housing numbers.

- Increasing transparency around land ownership – apparently this will put communities back in control and reduce speculative development. Personally, I have no idea how it will achieve this, but that's what it says in the Paper...
- Local authorities will be enabled to take action against developers who secure permission but don't use it. In part, this will come from the introduction of higher fees and capacity funding from the government to develop planning departments and plan making. The Paper also makes it clear that Government will intervene if plans are not up to date or housing numbers are not being delivered. Plans are to be reviewed at least once every five years – which will have some planning officers weeping into their wilted sandwiches as they celebrate getting a Plan to issues and options stage after four years...
- The development of a planning framework more supportive of higher levels of development with a quicker determination process, tackling delays caused by planning conditions and an improved approach to developer contributions. At the same time as making it easier for local communities to get involved and shape plans for their area and have a say in the design of new housing. Of course, that works!
- Enabling local authorities to take into account the track record of delivery of an applicant when determining whether to grant consent. Possibly controversial, but an understandable measure and one which is probably unofficially used anyway.
- Introduction of local accountable New Town Development Corporations – although refreshingly this government doesn't seem to think that New Towns will save us and solve all of our problems.
- Amendments to the NPPF to give local authorities the opportunity to have their housing land supply agreed on an annual basis and fixed for a one-year period. Added to this, holding up the recent test case, NPs will not be deemed out of date unless there is a significant lack of land supply. This is a significant shift and could have a huge impact on development proposals and long-term plans in some areas which choose the annual rather than the five year route.
- Diversification of the market:
- Encouraging smaller builders through better access to loan finance.
- Supporting housing associations to build through additional funding and clarity on future rent levels in return for them building significantly more affordable homes.
- Exploring options for local authorities to build again (whisper it, could this be the return of

some form of state-funded building programmes??!).

- Boost BTR through a clear long-term framework in return for support to build more homes across tenures.
- Make it easier to self-build.
- Encourage higher densities in urban locations and review space standards.
- Amending the NPPF to give stronger support for sites providing affordable homes to local people.

In return for all of the marvellous things which the government is intending to do, Government expects developers to build more homes, engage with communities and promote the benefits of development. As the MD of a company which specialises in helping developers engage with communities to promote the benefits of development this is all, of course, rather wonderful. However, it still doesn't answer the question of how you square the circle when a community is utterly hostile (despite all of those benefits being promoted) and the decision-makers want to stay elected. Answers on a postcard if anyone has a solution to that conundrum please.

On the other hand, in return for all of the wonderful things which will be delivered to communities through more simplistic plan-making, the government "asks communities to accept that more housing is needed if future generations are to have the homes they need at a price they can afford." So, that's that then, problem solved...

Local authorities also get a heap of obligations placed on them, not least the need to produce a Statement of Common Ground with neighbouring authorities, enforcing the duty to co-operate. Not only that, but there is going to be a system of Strategic Plans which set out priorities for areas crossing local authority boundaries as well as Spatial Development Strategies to cover the new combined authorities. All that sounds dangerously like regional planning to me, next we will be having the return of Regional Offices...

The Paper also expects infrastructure providers to step up to the plate to ensure that development is not delayed. This is to be achieved, at least in part, through the improved approach to developer contributions, whatever that actually means.

Basically, we all need to sing in harmony and work together – which really reflects the general global trend at the moment, everyone working in collaboration and understanding. Still, it's good to have a vision of peace.

#### The Greenbelt

Possibly in the face of a Tory Shires revolt, the greenbelt remains sacrosanct – except for when it isn't. As per usual, no clarification is given on the fact that there is much brownfield land with-

in the greenbelt so the mistaken and deliberate confusion over this by opponents to general or specific development will be able to continue unfettered.

There is to be a strengthened presumption in the NPPF that brownfield land is suitable for development, unless there are clear reasons to the contrary (again, no mention of all that brownfield land which is in the greenbelt and how that contradiction is dealt with).

#### The Rest

In recognition that all of this takes time to achieve, the Government has announced that it will help people now through a range of measures aimed at reducing costs for renters and owners. Measures include:

- Making renting fairer by improving tenancy terms.
- Cracking down on empty homes and supporting areas affected by second-homes.
- Helping the most vulnerable.
- Supporting households at risk of homelessness.
- Introducing Lifetime ISAs
- Relaxing funding to provide a range of homes including those for affordable rents

Obviously, Government doesn't want BREXIT to influence everything. However, the White Paper highlights the skills shortage and the need to grow the construction workforce. This situation can only get worse if free movement of labour is restricted post-BREXIT and a mass exodus of East European workers takes place. Under these circumstances, the existing construction industry would pretty much stop let alone future growth.

Government is keen to hold everyone involved to account, which is fine in principle but less easy in practice. This will be something to watch in terms of how it actually plays out, whether there is a truly objective measurement and how easy it is to challenge it with independent assessments.

All the rest involves the use of windfall sites, release of public sector land, encouraging estate regeneration etc etc. All the usual which comes in every housing policy.

**The AJ summarised the measures of particular interest to architects:**

#### 1. A new focus on design?

The white paper says local communities should have a 'greater say' and choice in the design of new homes. It says the government will make further funding available to neighbourhood planning groups from 2018-2020, which could be used to allocate sites for housing and to improve design.

Under the heading Strengthening neighbourhood planning and design, the paper argues that 'using a widely accepted design standard, such as

Building for Life' could help 'shape and assess basic design principles'.

The government also says it will support the creation of 'digital platforms on design, to create pattern-books or 3D models that can be implemented through the planning process and used to consult local people on potential designs for their area'.

Speaking about these proposals, Alex Ely of mae said: 'While this could be a promising way to support innovative design, we have seen from the risible Starter Homes Design Guide, launched by former housing minister Brandon Lewis in 2015, that if poorly written it could spell disaster for the quality of our housing.'

Worryingly, the government adds that it plans to review the Nationally Described Space Standard, which was only recently introduced.

Ben Derbyshire, president-elect of the RIBA, said: 'While I understand that the government wants to help those struggling to get on the housing ladder, we have seen a number examples already of some developers proposing tiny two-person homes of less than 15m<sup>2</sup> in converted office buildings. This cannot be a long-term solution to the housing crisis.'

## 2. Local councils and housing associations to build more homes

According to the paper, the government will 'explore options to encourage local authorities to build again', including through a new £45 million Land Release Fund and a new Accelerated Construction programme, which involves building on public sector land.

The government will release £25 million 'to help ambitious [local] authorities in areas of high housing need to plan for new homes and infrastructure'.

Local authorities will also be held to account through a 'new, standardised way of calculating housing demand', and review it at least every five years. The paper adds that, on the provision that they reinvest the profits into their planning department, local authorities will be able to increase planning fees by 20 per cent from this July.

Councils and developers will also be expected to build homes at a higher density and in taller buildings where there is a shortage of land, as well as in locations well-served by public transport.

In addition, the paper sets out how the government plans to support housing associations to build more homes, through measures including setting up an independent social housing regulator and reiterating the position of housing associations as private sector bodies, with a commitment to implementing the necessary deregulatory measures to allow them to be classified as such.

## 3. Cut! Planning permissions to last just two years

The white paper outlines plans to speed up

house-building by shortening the timescale required for developers to start building once planning permission has been granted, from three years to two.

But Hari Phillips of Bell Phillips Architects questioned a condition of this proposal, where it is stated that this two-year timescale would be applied 'except where a shorter timescale could hinder the viability or deliverability of a scheme'.

This 'get out' clause, he said, would 'surely just see housebuilders' viability consultants running rings around the system'.

The paper also says the government will 'increase transparency around land ownership' in order to show where land is available for housing and when organisations are sitting on land suitable for housing and not building on it.

## 4. Mixing it up – more competition for the big housebuilders

The white paper proposes an Accelerated Construction programme, which will involve partnering with small and medium sized builders in order to build on public sector sites 'faster than traditional disposal routes'. The paper says this move will see up to 15,000 housing starts over the course of parliament. It also reiterates the government's support for the £3 billion Home Building Fund, which supports small and medium sized builders and was introduced in October last year.

Speaking to the House of Commons, communities secretary Sajid Javid said: 'At present around 60 per cent of new homes are built by just 10 companies. Small, independent builders can find it almost impossible to enter the market. This lack of competition means a lack of innovation, which in turn leads to sluggish productivity growth.'

## 5. Green belt stays – building taller and denser in the cities

On the whole, the white paper continues the government's commitment to protecting the green belt, and Javid said that his plans would not entail 'recklessly ripping up our countryside'.

The white paper concedes that greenbelt boundaries can be amended, but 'only in exceptional circumstances when local authorities can demonstrate that they have fully examined all other reasonable options for meeting their identified housing requirements'.

## 6. More support for build-to-rent' over home ownership

The white paper proposes further measures to support build-to-rent developments, including changing the National Planning Policy Framework to allow authorities to 'plan proactively' for these schemes. The paper also proposes making it easier for build-to-rent developers to offer affordable pri-

ivate rental homes, and will introduce a definition for these homes, alongside other types of affordable housing.

The paper adds that the government is working with the British Property Federation and National Housing Federation to create ensure 'family-friendly' tenancies of three or more years on certain schemes.

## Andrew Jones, Practice Leader – Design, Planning & Economics, AECOM

"After endless attempts by successive governments to address the UK's housing crisis, there is now universal acceptance of the desperate need to build more homes. The measures outlined in today's much-anticipated white paper should go some way towards delivering housing growth. The government's support for off-site construction is particularly encouraging. Self-build, custom-build and manufactured homes have been effective components of housing strategies in other countries for many years, but success in the UK will be dependent on building a robust supply chain and effectively tackling the challenge of delivering at volume in complex urban settings.

The promise to free up more public sector sites for development is nothing new, but providing local authorities with more Compulsory Purchase Order powers could lead to a welcome gear shift if there is support for local authorities to use those powers. Reducing the timescales for developers to implement a permission for housing development from three to two years is also encouraging. Improving speed of delivery will be crucial to enable a meaningful influx of new homes.

The absence of a comprehensive review of the green belt is a missed opportunity and central government should have been bolder on this issue. Selected green belt sites can play a valuable contribution to the additional supply of new homes. Leaving responsibility for decisions that affect the green belt wholly with local authorities plays well to local decision-making, but is unlikely to bring forward new schemes quickly. While the original purpose of the green belt is still valid and protection of the most important land must be maintained or enhanced, there are significant portions of brownfield and other low-environmental value land close to transport links within the green belt that are ripe for development.

Strengthening the requirement for local authorities to have up-to-date local plans is a step in the right direction, but building a stable supply of homes requires greater emphasis on sustainable, long-term strategic planning. The private sector has a role to play alongside government in boosting the lack of skilled resources within local areas to accelerate plan production. Looking beyond small, incremental increases requires local authorities to plan >>>

>>> for up to 25-years in advance, creating well-connected new communities close to transport links in areas where people want to live."

**Mark Farmer, CEO of Cast and author of government-commissioned review into the construction sector:**

"Today's housing white paper includes many of the recommendations that I set out in my review into the construction industry. From a capacity building perspective there is a welcome recognition of the challenge of transforming skills development and training as well as strong support for modern, more efficient construction techniques.

On a broader front, the central measures to better diversify tenure, especially through affordable housing and build to rent will drive a more resilient acyclical demand profile for the construction industry which in turn will enable longer term thinking and investment in higher productivity capacity building.

It is critically important in my opinion that government has not only looked at increasing supply but is considering the physical means by which that will be delivered ensuring high quality construction."

**Martin Bellinger, CEO at Essential Living, the first UK build to rent company:**

"There's been growing support for build to rent largely because ministers have realised there is nearly £90bn of new money to be harvested from pension funds and institutions. Whatever ownership ambitions people have, the reality is that more people than ever are renting. Encouraging companies to build professionally managed rental communities will reduce the problem of rogue landlords and allow more homes to be built more quickly."

**Johnny Caddick, joint managing director of Moda Living, a build to rent developer and operator, said:**

"These measure will mean there's far more scope for brownfield regeneration across our cities, catering to the very needs of urban dwellers. This is not about switching everyone from ownership – it's about providing choice and real customer service for people across the UK who want to live centrally."

**Julian Goddard, head of residential at property consultancy Daniel Watney LLP:**

"The growing political support for build to rent will prove good news for renters over the long run but there is a pressing need for a rethink on how the government treats buy to let landlords, who continue to provide the overwhelming

majority of rental homes.

"A lethal cocktail of tax changes and increased regulation is threatening to limit investment and squeeze supply. With renting only set to rise, this will put extra pressure on the sector, with renters losing out most."

**Charles Mills, head of planning at property consultancy Daniel Watney LLP:**

"A fresh look at rules around density and height is welcome but ultimately the government is trapped between its desire to devolve more power to local communities while simultaneously trying to deliver more housing at a far greater speed and scale than has been achieved in recent history. Combined with steep cuts to funding and staff, this has placed huge pressure on the planning system.

"If Sajid Javid genuinely wants to stimulate house-building, he needs to rethink how much decision-making happens at a micro-level while also injecting more cash into local planning departments. Punishing councils for failing to deliver new homes, as is being suggested, will only prove counter-productive over the long run."

**Lee Sheldon, co-head of the real estate sector for law firm Addleshaw Goddard:**

"We believe there's now around £90bn of institutional finance ready to build homes for rent across the UK. Unlocking this will mean offering developers more certainty and less red tape, while also ensuring the government's Homes and Communities Agency continues to provide affordable loans to address the funding gap for rental developments.

"What investors require is certainty and what ministers can look to do is offer this by ensuring we have a consistent approach to development across the country. The government is prioritizing brownfield development and wants a rental sector that offers longer tenancies and better service. North America and Europe have offered a professional rented sector for years, and we see build to rent as being very much a key component of the future of Britain's housing market."

**Jean-Marc Vandevivere, chief executive at PLATFORM, a private rented housing provider:**

"There's a lot to be welcomed in today's housing white paper, from increased density around transport links and commuter hubs to using housing to regenerate high streets. For a build to rent model like ours, proximity to local amenities is key.

"From Bracknell to Bedford we've taken advantage of relaxed rules to deliver high quality rental housing in central locations where people actually want to live. A more flexible approach to planning

will help more schemes like this be delivered up and down the country.

"Yet the additional stamp duty levy on institutional investors acts as a key barrier to investment in the rental market. With private rent the fastest growing tenure, the government can ill afford any measures that restrict future supply."

**Naomi Luhde-Thompson, senior planner and policy advisor for Friends of the Earth: Developers win again**

"Housing Minister Gavin Barwell had been expected to set out a range of radical plans to boost the housing supply with the release of the government's much-anticipated and delayed Housing White Paper today. However, there was little to indicate that the government are prepared to take the measures needed to properly address the housing crisis.

There's never been a better moment to admit that the de-regulation of the planning system in England has only benefited one group: large-scale, or volume, housebuilders, and not people or the environment.

We need homes built to zero carbon standards that are affordable but the changes made to the planning system in the last few years have clearly failed to deliver on building more homes - let alone affordable or zero-carbon ones.

What we need is to scrap the most damaging policies, and the changes to permitted development, and give local government a much bigger role. For any hope of progress, it should also not be beyond the pale to make sustainable development a legal requirement, which would give more protection to our most precious places."

**Martin Goodall's Planning Law Blog**

The plain fact is that this was only a White Paper – a statement of various aspirations on the part of government, some of which may be realised in due course while others are quietly forgotten. I really see no point in wasting time on the White Paper itself, preferring to comment on particular changes in planning law and procedure when they come forward in due course.

Meanwhile, I remain sceptical of the government's stated aim of building a million new homes by 2020. This would require an annual completion rate as high as, if not higher than, the building rate achieved under the dynamic leadership of Harold Macmillan as Minister of Housing and Local Government in the early 1950s, which included a substantial proportion of publicly funded social housing ["council houses" – remember them?].

Does the government seriously expect the private sector now to match that building rate without such a significant public sector input? Let's be realistic – it simply won't happen. ■