

Episode 6

How to Save Money When Buying Land

The show notes: www.houseplanninghelp.com/6

Ben: So I'm here with Ted Stevens. Hello.

Ted: Hi, hi.

Ben: So first up maybe you could give us some of your background of how you got into building, construction, and where your career path has led you.

Ted: Well, I suppose it all goes back to probably my technical drawing teacher at school. We had a week where we could do anything we wanted and he used to set us tasks to draw engineering bits and things like that, but for this week he said you could draw what you like and he said I thought perhaps you'd all like to draw this dream house that you'd all like to have. So, I was about 14 at the time and we drew pictures of houses perched on cliff tops and underwater houses and all sorts of things and the plans for them. And that switched on a little magic button in me which made me think one day, one day maybe I'll be able to build a place for myself.

I went to college and for various reasons ended up with a degree in physics which has been absolutely no use to me whatsoever, but I ran a student newspaper when I was at university and decided that journalism, perhaps had more of a future, so I ended up getting a job on an architect's magazine so that switched it on again. I then went for a while as the editor of a weekly newspaper for town planners, a magazine called Planning. All of this was fuelling this passion to one day do something about it and build a house myself.

Over the years I've done up a few houses. Then I moved slightly out of journalism into marketing and I set up, much to my amazement, reasonably successful marketing company but by the time I got to 50 I was fed up with that. I was working crazy hours and my fellow directors offered me a shed load of money to buy me out and send me off to an early retirement so I took the opportunity and thought it's now or never. Then I hunted around for about four or five years trying to find a good site. It's hard to find good sites and eventually got my one, built my own place in 2004/2005. It turned out pretty well, I'm very pleased with it. By then I was semi-retired really and then an old publishing mate of mine rang me up and he said: "I've just bought a magazine called Build It" which is one of the three main self build magazines and he says: "I don't understand anything about self build, you've built a house for yourself, would you mind taking it on for a few months as the publisher, just a temporary thing until I can hire a publisher?"

So madly I agreed to do this and when I looked at the self build industry in a wider way, because I'd only focussed on my own house, when I looked at it as a whole, I realised it was in a bit of a pickle, really. It didn't have anybody campaigning or promoting to encourage more self build. It was just, people came in, built their own home and live in it and forgot about it. The industry itself wasn't organised and wasn't trying to drive itself forward. So I called a meeting of a few people who were involved in the industry, like the National Self Build Centre in Swindon and a few other people and said: "We as an industry ought to be encouraging more self build."

If you look at the big volumes house builders, they've got a huge machine which lobbies on their behalf to government. We, as self builders, had nothing. So we had this meeting and of course, I'd done all the talking and I ended up being elected as the bloody chairman of the National Self Build Association! Having built my own

place and thought that I could retire... In the early years of, NaSbA, The National Self Build Association, things were fairly quiet. We lobbied the Labour Government then and got in to see a few people but they didn't really bite. And then the new government came in and Grant Shapps, the housing minister, agreed to meet up with me and he just bit my arm off! I couldn't believe how enthusiastic he was towards self build. So my plans for this pottering around in the garden routine in my old age were put on the back burner and I've been working flat out for the last two years just trying to make it easier for more people to build their own homes, doing a lot of work with the government, and people within the industry just try and make it easier for future generations to build a home for themselves.

Ben: Do we have a lot more of an issue with self build in the UK compared to the rest of the world?

Ted: It's surprisingly different here. I didn't realise this until I did some research but in the UK, currently about 1 in 10 homes is built via various forms of self build. In most other developed countries it's between 1/3 and a 1/2 of all housing is done that way and there's a tradition there – and it's very straight forward – you go to the edge of your town and there will be people selling plots of land and they're as easy to buy as burgers in a burger shop. They are very straight forward to buy plots of land, they are very readily available at reasonable prices and there's builders and kit home companies advertising all the time in the local papers and you go and choose a builder, an architect or a kit home or whatever you fancy and you can get it built. It's as easy as falling off a log and so that's been the situation there.

Here in the UK, for various reasons, partly because we're slightly more populated and there's a bit less land around and partly because we've got, and you don't find this in other European countries, we've got big national house building companies. Some of them are building 10,000

homes a year each. Very, very big, powerful businesses and they're very well organised and they've sort of filled that space. They have their land acquisition teams who go out and sniff out all the best sites, buy land and bank it up ready for the next phase of work they're going to do. That's made it much harder for individuals in the UK to find the land in the first place. I would say, if you wound the clock back a century we would have been like the rest of Europe. It would have been the same. There would have been local builders. You would have found a plot of land from the local farmer. The local builder would have built it for you and it would have been the same as it was for the rest of Europe, but over the last century it has changed radically in the UK. For those reasons mainly, that's why it's much harder to build here and why currently much fewer homes are built that way.

The minister was really shocked when I showed him the data on this and he said that he wanted to see much more self build delivered in the UK, build it up from 10% to 20% or hopefully even more. The reason he's keen on that is that it makes the supply of housing more diverse. It means that you aren't just relying on one source of delivery for new housing if you've got people empowered to do it themselves and lots of them being encouraged to do it. Then that can bring 20,000 or 30,000 or 40,000 new homes a year perhaps onto the market. If you rely just on the volume house builders who've got shareholders to satisfy and profits to make, their agenda might not be the same and if they decide they are going to batten down the hatches for awhile, no housing is built or very little housing perhaps is built, then the supply of housing to the sector... There's over a 100,000 new families being created every year. If you're not delivering those homes for them then it gets very tight for everybody so he's keen on it because it makes this sector more diverse.

Ben: While you were saying that I suddenly thought to myself, these bigger companies who obviously have a large sector of the market here in the UK and not so much in

other countries, do they build to the same standard and with the same love as a self build? Are self builds better, I suppose that's what I'm asking.

Ted: Certainly I think they don't have as much love [Ted and Ben laugh] for the house they're building. I mean, self builders, it's not just love, it's blood, sweat and tears as well. You put a lot into it. The thing is you get a lot more out of it at the end of the day. A statistic which I always find really impressive is that the average person moves - when they buy a house - they move every 6 years. So if you buy a new home from Barratt's, on average, you'll sell it and move on to another one 6 years later. The average self builder moves every 25 years and often that's when the funeral director [Ted laughs] comes to cart you out in a box because most self builders at the moment are in their 50s. You know, 40s, 50s, 60s, that's where most self builders are in their lifespan and what you do, if you build your own home, is you build something that is absolutely spot on for you and for what you want and so, why would you move? So they stay there a long time, partly because blood, sweat and tears has gone into it, partly because it's just what they want, and they can't find that in the open market.

Ben: What do you need to be a self builder? Is it always about you doing all the work or is that actually a very small fraction of the time?

Ted: Yes, the word 'self builder' is a bit of a misnomer, really. Only about 15% of people really stick one brick on top of another and do the hard graft in terms of physically building the building. The other 85% do it in various different ways. Some hire a kit home company to build a kit. They might have to organise the concrete slab that the kit is built on but that's all that they do. Others get an architect and a builder in to do it for them. Others hire bricklayers, plumbers and electricians, and they project manage all of those guys and deliver it that way. Sometimes people do a bit of the work themselves, so if

they might have some connection with the construction industry themselves. If they are an electrician they'll hire other people and do the electrical work themselves. Quite often self builders will do the decorating to save a few quid and do the landscaping work themselves.

But really these days the government is using a phrase called 'custom built homes'. At first I thought we've been living with the word self build for 25 years and it's reasonably well understood, but actually custom built homes is a better description these days. What you're doing is commissioning or procuring a home custom built for you. It doesn't imply that you are self building it yourself. So I quite like the custom build homes tag these days and I think it's a better description.

You said, what are the qualities you need? Knowledge is a pretty handy one. I think an awful lot of self builders don't build up enough knowledge before they start. Kevin McCloud, the guy who presents Grand Designs puts it really brilliantly. He says: "Spend 3 years building up your knowledge and understanding of what you're going to do and working out the exact plan and the spaces you want on the site which hopefully you'll have bought by then. Really put 3 years of hard graft into it and then it will be built in 6 to 9 months and nothing will go wrong. If you spend three months planning it, it might take 3 years and cost twice as much. So preparation is everything, knowledge is everything... building up your understanding. That means going to see lots of other self build projects, it means going to all the exhibitions, reading the magazines and doing lots of research on the internet and picking the brains of people. The best people to get advice from is people who've done it. Don't be afraid to go to a building site that looks like it could be a self build project and chat to the people on it and ask if they can show you around. You'll get more knowledge from that than anything else.

Ben: Looking at land for a moment, because I know that you've had some involvement here in the UK. If you're listening in the rest of the world I guess it depends what you can take from this. Is there a common thread, if you're building your house, wherever it might be in the world, how you go about getting land?

Ted: Okay, getting land is - certainly in the UK – undoubtedly the toughest challenge. It's very, very difficult to get. You need real determination and some detective like skills to pull it off. It's pretty easy to subscribe to one of the websites that list all the plots of land available and there's over 100,000 people in the UK alone paying money every year to get the details of the plots, the few plots of land that are available. The trouble is because there's more people after those plots than there are plots, then it's a race and whoever pays the most gets the prize at the end of the day. You'll see plots occasionally advertised in local papers, you can go and speak to estate agents and they may be able to identify plots for you, but I don't think that's where you find the bargain plots or the brilliant plots.

When I searched for my place I went to see over 100 plots over a 2 to 3 year period. About 90 of those I wouldn't want to live on, because they were next to motorways or railway lines or sewage farms, or for one reason or another. It's not difficult to find a rubbish plot that nobody wants. They're fairly easy to find, a challenging plot. In urban areas that's probably all you're going to find realistically. It's almost impossible to find a good plot in urban areas. In rural areas you can still find them, but if it's been advertised I think you're going to be chasing it alongside lots of other people and the price will be high.

The trick, I think, is to... firstly work out really where you want to live. Get a big map and figure out where you want to live. In the UK, for example, if you want to live in central London you've got a really, really tough job finding a site

but if you feel like you might want to relocate at some stage and move out of London then broadly speaking the further away you go, the cheaper the land is and the more attractive it often is. So you can buy a plot of land in Northern Ireland for about £20,000 – quite a decent plot of land – whereas you'd spend £200,000 at least finding anything half decent within the M25. So working out where you want to be is the first thing and some people are able to decide that they're going to relocate as part of their desire to build a new home. And it's cheaper to build things physically, it works out cheaper to build, so building materials are cheaper in certain parts of the country and labour rates are cheaper. Working out where you want to be is the first thing.

If you want to have a go at doing this NaSBA, my organisation has, I think, a fantastic website called the Self Build Portal. Go on there and you can play an interactive game, which shows you the costs of building in different parts of the UK and land prices. You can sort of figure out what you can afford and where you'd like to live. Once you've done that and you might have narrowed down your search to a few villages or a town or a few square miles, then order up one of the Ordnance Survey's gigantic scale maps. I think they cost £75 and they are about 2 metres by 2 metres, and it's got every single detail for that area right down to the fences in everybody's back gardens, the manhole covers and the lampposts. It's really, really detailed. Start walking the streets with that plan and figuring out where there might be a bit of land at the back of somebody's house that perhaps they don't realise the potential for. Alongside that look on Google Earth. A good tip I picked up years ago was to look on Google Earth and if you spot a row of houses that do have very large gardens and as you walk along the front you might notice one or two of the gardens are a bit tatty, look on Google Earth and if the back garden is overgrown, that's when you want to think, mmm, I wonder if they might be prepared to sell a bit of their back garden - because it's clearly too much for them

to manage and maintain – to somebody who wants to build their own home.

So those are the sorts of tips that I would use. There is no substitute for foot-slogging it around, looking over fences, using Google Earth, getting a big plan, that will help you. Knock on the doors of people. A lot of people will tell you politely no thank you, but occasionally somebody will say, actually that sounds good. If you're an elderly couple living in a big house with a garden that you can't keep up, you're in your 60s or 70s and it's just too much for you, somebody knocking on the door and saying I could give you £100,000 for a bit of your garden, that might be manner from heaven for them, and you might get planning permission for a house in that garden. You'll need to understand the planning situation as well. You'll need to get to grips with what is realistically achievable and what isn't. The planning rules are complicated so it needs a bit of grafting, really, to understand it, but those are the tips I would use. Social media is quite good as well. If you've got a contact list of 200 or 300 mates, putting something up on Facebook to say I'm looking for a site in this area, does anybody have any parents, uncles, aunts, relatives who might have a bit of land that they might want to sell to me? That can sometimes come up trumps. It's a bit of lottery but those are the ways to find it. So I would say you can try the agents, you can try the plot finding websites but really if you want to get a good site you're going to have to do some graft.

Ben: What are the different types of land, you have mentioned a few of them, you could use a garden of an existing house, but is it split up into specific sectors?

Ted: Yes, one classification is that it's split up into green field or brown field land. So green field generally means something that has never been built on before and brown field is something that has been built on before. Generally speaking, although there are lots of reasons why this isn't always the case, but generally speaking where something

has been built on before it's a lot easier to get permission to build something again, so it could be knocked down years ago but if there are foundations of an old garage or an electricity sub station or whatever it is, you've got a much better chance of getting permission for a property on there than if you were trying to get on something that has never been built before. You also get issues with villages. Now villages and rural settlements usually have, in planning terms, a red line drawn around them and they say that's the defining boundary of that village. You need to check this out with your local planning office. They will show you, you can look at the plans that they have, and they'll have these red lines around most of these settlements. If you try and buy a lump of land outside that and try and get planning permission for it, you'll have a real fight on your hands and the chances are you probably won't get it. If you can find a lump of land inside that red line you've got a much, much better chance. If you're trying to get permission for a house in the green belt or in an area of outstanding natural beauty or in a national park, any of these designated areas of special scenic quality, you've got a snowballs chance in hell of getting it. It's really, really tough.

Sometimes you can find an old building that's falling down or a two bedroom bungalow or chalet that's falling to bits, you can buy that and if it's already established, the use of that land for residential use, you can sometimes persuade the planners to allow you to have a slightly bigger home on that site. That way you can buy an old, derelict, small building on a reasonable sized plot and get a bigger house on it. You can negotiate perhaps a bigger house on it. That's the way of getting a nicer site in a more scenic area, because often you can find an isolated cottage somewhere in the middle of the countryside and knock it down and replace it with a bigger newer home.

Ben: There are also these areas that are being divided up. You mentioned right at the beginning of the interview how you'd spoken to the UK Housing Minister and how this is

becoming more available, or a few more plots are. I remember coming to see you at a conference where you were talking about, is it Almere in Holland?

Ted: Yes

Ben: And I was very interested how this had come about. Maybe you could tell us a little bit about this project?

Ted: Yeah, Almere is a fantastic example. I mean, the Dutch generally have got a reputation for being very innovative on the housing, in all sorts of ways. They have built an extension of a town, which is taking 3000 self build homes. It's about half built at the moment. All around that self build area there are bigger developments for traditional, private volume housing. They haven't done very well. The market in Holland, the housing market in Holland, is on its back and very few people are buying those traditional homes but they are forming an orderly queue, and virtually all the plots in this self build town that they've created have been sold.

The way the council did it there, the leader of the council is a real visionary, a fantastic guy. He convinced the rest of his councillors that it would be worth taking a gamble on this big lump of land and trying to create a new type of community. They thought about it long and hard, they hired in a fantastic master planner, a woman called Jacqueline Tillinger, a brilliant woman. They worked out how they thought they could divvy up the whole site into individual plots and they sell plots of land virtually by the square metre. They made it incredibly easy for people, so you go there, look at a big plan that they've got arranged on the floor of the big building and stand on the bit of land that potentially you might own on this big plan and figure out if that's the one you want and there's a price tag that goes with it. If you want a small plot it can cost you £30,000 or £40,000 or the equivalent. If you want a big plot with a big garden it will cost you proportionally more.

There are very few rules. They limit the height of the house, but you can use whatever materials you like, you can virtually design whatever look you want. Some people have gone for very traditional kit homes, some people have done quite interesting architectural stuff and they've trusted people – that's a key word here – they've trusted people not to produce eyesores. Actually if you look at most countries, the prettiest places are the medieval villages and historic villages that everybody wants to live in. Those villages were built in broadly the same way. There were no planning restrictions. Somebody had built something in Victorian times, somebody had built something in medieval times, somebody had built something in Edwardian times and they all sit higgledy piggledy alongside each other but they create a rich texture and a vibrancy and as the years pass by people think this is a lovely place to live. Well, they've managed to do that in a few years, in three years in Almere. They've created this rich tapestry and texture, a very very rich architectural spectrum of homes and everybody loves it. They're going like cakes on a hot tin. They're absolutely flying off the shelf.

People sometimes criticise planners. They talk about planners stopping people from doing stuff. They see them as the guys who are very negative. Actually good planners are some of the most visionary people going. At the beginning of the last century, it was town planners who came up with the ideas of garden cities, new towns. This is an opportunity, I think, for self build new towns to be the next wave of garden cities, the next wave of innovative and exciting places to live. In the UK, if you go to the garden cities that were devised a century ago, places like Welwyn Garden City and Letchworth, they are fantastic places. People really want to live there. They were a bit scary and innovative at the time they started. I think there could be this new wave of self build communities that will be really really loved.

The great thing about building self build homes in a group, together, is you don't just build your own house you build a community, you build a neighbourhood, you know everybody, and everybody gets on famously. You don't just build your own house, you figure out where you want the nursery to be and the shops to be. You have that real buy-in which goes much further and much deeper than just the fabric of your own home.

Ben: I think that is also a fascinating aspect, that you build a community, not just your housing or your own personal home, it's just you, it's about the whole thing, which I'm fully behind. I think it's very interesting. One other point that I know, I seem to remember a story how you were saying, maybe it was the amount of time it takes to process some of the planning?

Ted: Oh yeah, it's amazing. In the UK it takes, usually 8 weeks, often a bit more than that to get a planning application approved and then you have to also get building regulations approval, so it can take weeks, months – 3 or 6 months sometimes. When we went to see Almere, there was a question from one of the British self builders saying how long does it take to get planning permission here and the alderman from the town said: "Well, in the early days we had complaints from people because it took between 3 and 6 months, and clearly people were keen to get on with their projects and they found this very frustrating. So I called a meeting of planning people and the building regulations people and we sat down to think about how we could improve the process and make it shorter. Now we can do it in 3½ days! The British people in the room almost fainted at that point. There was an audible thud as their jaws hit the floor, but it proves you can do it and I don't think it's beyond the wits of man for anyone anywhere to say if you do the thinking early on, then later on you can speed things through much quicker.

I think in a situation like Almere, if there's another new community like that built anywhere in the world, then if

you've done your thinking upfront then you should be able to approve things quickly later on.

Ben: We're running out of time so I think I'll finish it on something slightly different. You've built your own house. I know you've done lots of renovations. Maybe you could just come up with three great tips for anyone going into this, that might help them along the way.

Ted: Well, first off, knowledge. You must hone up on it. There's lots of regulations you do need to understand. There's lots of things about budgets that I think people don't really work out enough. So you do need to read up on it. There are really good books from people who have been through this thing. Read them from cover to cover and then re-read them. There's no substitute for going out and seeing real self build projects and building your knowledge from that. That's the first thing.

Second thing is, don't expect it to happen over night. I would say it was physically and mentally the most exhausting thing I have ever done, building my own house, and I didn't physically do it, I had a builder to do most of the building work. But the builder would ring me up at 10 o'clock at night and say: "What door handles are you using?"

I'd go, oh my God, I haven't thought about door handles. You're then up from 10pm to 2am searching every internet site for doorknobs and you discover some cost £70 and some cost £7. You have to try and make a decision between 10pm and 2am as to which doorknobs you're going to use. You meet the guy the next morning and say I've chosen these. It's like that. It's remorseless. So if you're easily tired, prepare yourself for quite a tough old challenge.

The third top tip is land is absolutely fundamental to this, so be a detective. Be determined and innovative and clever, because if you've got endless pots of money you

can buy yourself a very nice plot of land for half a million quid. If you're clever, you might be able to buy that plot of land for £100,000. That's where the big financial saving comes. If you can buy your land cleverly, you will save yourself an awful lot of money and that's money that perhaps you can spend on making the house a bit bigger and a bit more lavish. Put the effort into getting a good site, do your homework and be prepared for a long hard slog.

Ben: Ted, thank you very much, some great content here and we'll try and absorb it all. Thank you for your time.

Ted: You're welcome, mate.