

Episode 37

Overcoming the Challenges of Self Build

The show notes: www.houseplanninghelp.com/37

Intro: It's time for our featured interview. Homebuilding & Renovating is the leading self-build publication in the UK. Perhaps if you live in the UK, you're listening to this podcast, you might already be a subscriber but their website has a ton of information if you're listening overseas and when I launched House Planning Help, they've been really supportive of what I've been doing, I have a mini blog on there and every couple of weeks I write a short piece for their community. We've also spoken to a couple of their experts in the past, people like Mark Brinkley and Roger Hunt so this interview with the editor Jason Orme is definitely overdue. We've had it in the pipeline for a while but you know that I like to, where possible, sit down and have a face to face interview rather than over Skype. So that's exactly what we did and it just worked out that a couple of weeks ago we sorted it out so this is the interview from that.

We talk about a few areas, self build, custom build and also how things are moving in the UK but the main focus of this is on some of the challenges that you will need to overcome. I started by asking Jason how he got into self-build.

Jason: Well, I applied for a job. I was a young wannabe journalist and applied for a job on a magazine I'd never heard of called Homebuilding and Renovating. It was local to me in Birmingham and I met the editor, then, Michael Holmes, really enjoyed hanging out with him. He was wise enough to give me a job and it started from there.

I'd had a bit of a background in surveying but nothing special really and I came at it gradually, spent six months or a year immersing myself in what, to a 23-year-old kid was a very confusing world of ventilation and airtightness, and all these very complex and slightly less glamorous things than I'd hoped. But actually I grew to meet self-builders and I grew to find that actually creating an individual house either through renovation or self-build was a really interesting and fun thing to do.

And it was just about the same time that Grand Designs was starting up as well and I sensed that there was something

happening that was interesting to be a part of. I grew to be really interested in architecture and house design in particular, and I grew to be interested in a process of building houses and all the stuff you could put in them.

So my interest really developed after starting to work on the magazine but really began to take over my life in the early 2000s and obviously I bought a plot in 2004, the same year I got married, and really since then have been a little bit obsessed by it.

Ben: What would you say are some of the key changes then that have happened in self-build in the time that you have been editor at the magazine?

Jason: Well, the people we meet have changed so significantly really but I think that's probably the biggest change that I've seen. Certainly from the late 90s, early 2000s it really was people like me back then. [Jason laughs.] It was young people, not necessarily with lots of money who were keen to create an individual house and weren't able to throw hundreds of thousands of pounds at it. Grand Designs had just started back then. So it was 1999, I think Grand Designs' first show, so there was a nascent movement growing, a kind of very small movement back then. Grand Designs really began to take off and my sense was that it really changed around the 2007, 2008 crash era. We found that the audience almost changed overnight. It went from young, ordinary families to mainly retired types who had cash.

You know the big problem at the moment is people obviously having access to mortgages and finance. Almost overnight those mortgages disappeared back in 2008 so the people with cash were the ones who had recently retired and they were the ones we were talking to.

Ben: What would you say then . . . How are we going to address this if money is the issue?

Jason: Well, there's part of it that will naturally change. As the economy improves I think those mortgages will begin to come back on-stream. So I think to an extent, part of it will take care of itself. The biggest problem I think by a long way is availability of plots and therefore price of plots, and the two are very closely linked. It's not difficult to find a plot if you've got a million quid!

My sense is that government initiatives to change planning policy, to change red tape around self-build will help significantly to make it

easier for people. Their aim is really to double the number of people building their own homes within I think five or ten years, which doesn't sound that ambitious considering that I think there's 11,300 homes built last year, but we all know it can get to 20,000 30,000 at least, if not much more than that. So there are things that are beginning to happen but it's a very slow revolution.

Ben: What do you find are the common pitfalls that people fall into? You must have seen a lot of projects in your time, so maybe we could go over some of those and hopefully we can avoid it!

Jason: Well, look, the first . . . I'm setting myself up for a fall here really but I think the first one that I've learned is that if projects are going to go wrong they are usually go wrong from day one and the reason I say that is that people often go over budget and that's the biggest problem that people face naturally. They're going over budget because the design of the house doesn't meet their estimated or wanted build cost and the reason for that is because a lot of great architects around but not actually a lot of great architects know that much about building costs. That sounds quite controversial but actually it's true in my experience. Architects are great at designing wonderful houses, they're not that great in my opinion at marrying up the budget to the design.

I often see people come to me with plans for a massive house that looks very complicated and there's lots of kit in it and there's very complicated roof shapes and all that stuff and they've got a budget that is completely unrealistic. Many of them go ahead and do that, and they're on a road to ruin in my opinion.

Ben: How do you know though because you have no idea of the history? I suppose you could check with other clients, couldn't you, to see if they had ended up paying a lot more because in my experience, too, and what I've heard people say it's sometimes even to the architect's advantage if you go over budget.

Jason: It absolutely is. Most of them get paid on a percentage of build cost so [Jason laughs] it's definitely in their interest to increase that build cost but my sense really is that, definitely approach previous clients is probably a good starting point. One really good tip is to try and run most things through a QS, a quantity surveyor. They're independent experts who will be able to effectively do a full materials and labour schedule of your build taken off from the plans the architect has given you. So they will give you an independent assessment of the costs before you've started and at that stage you

can then go back to the architect and say: “Look, it’s £100,000 over budget.”

I met somebody recently who went something like a million pounds over budget on a £1.8 million build. That’s significant, you know, crippling really. It happens at all budgets. £200,000 houses can go 10% or 20% over. There’s some things that you’re never going to be able to budget for and account for, usually things that you don’t know about, i.e. foundations, but the design stuff, the above ground stuff should all be absolutely manageable and quantifiable and in all too many instances I think people take on projects, big projects, and this is a life-changing project, don’t forget, without actually really doing enough research in terms of how it’s going to come in at the end, nine months down the line.

Ben: One of the most profound things that I think I’ve learnt is about scale and how scale can really set you off in all directions. Do you think that people have a tendency to go too big? Or is that almost the market that we’ve got, these retired people who’ve got pots of money? They really can fulfil their dreams.

Jason: Well, look, let’s set it out on the basis that self-build homes almost by design are bigger than houses that you would buy on the open market. You know, the average self-build home I think we cover in the magazine is something a little over 200m². The average new estate house is something like 80 or 90, I think. So they’re already twice the size of the average house but actually most people can have a very comfortable existence in a 4-bedroom home of around 200m², which is big but it’s not massive. Yet I also meet people who build, well, the biggest one I’ve seen is 2000m². So homes are big and people to an extent are building because they want a big home, I think, they want a comfortable home for their family to grow up in.

David Snell, who continues to write for the magazine, always says that one of the great reasons for the breakdown in society is because houses are too small, so growing families, particularly when you’ve got teenage kids, they need their own space and it’s preferential if they’re in their own big bedroom with a bit of a guest suite rather than on the streets.

My view is the same. I think homes should grow with families and be flexible enough to do that, but absolutely the number one rule of managing build cost is build small. I know you’ve met Sarah Susanka, who we’ve had writing for the magazine in the past, and I’m a massive advocate of her approach because she shows

actually that small homes needn't necessarily feel small. There's a design nuance there that you can achieve and I think that's something that I'm interested in very much.

Ben: It's interesting looking at this market then that it's a lot of older people who have that wealth. Are there any changes that you see that we could make to somehow kick-start it for the younger people? For example, I'm a homeowner, I've paid of a lot of my mortgage so theoretically I should be able to get exactly the same doing a self-build . . . maybe!

Jason: Well, you're absolutely right and I think the audience that you're describing, yourself and me to an extent, we're the right side of 40, just about, with a young family and all that stuff, and we really should be able to build our own home in the way that if we were living in Australia or the States or the Netherlands or anywhere else pretty much you could do.

I think the government is working very hard and we've been a part of those discussions really to try and release land and to try and introduce this kind of what is a new concept but actually is quite an old concept as well of custom build which is to an extent a subsector of self build. It's still people creating individual homes that they specify from the start but it's just de-risking the whole process. So the things we talked about at the start of this discussion, going over budget, all the common mistakes that people make, the idea is they really want to de-risk that by having fixed priced build costs, releasing lots of land, they might not be massive plots but they're fully serviced and perfectly respectable plots in locations that you want to live. So you'll get an individual home. You won't have to go through the process of getting planning permission and all the difficulties that that might entail from the individual self-builder and you won't have to deal with individual builders, all those problems you might get as well there. [Jason laughs.]

To an extent it's happening and some of those custom build sites are coming on stream. The biggest one of course is the one at Graven Hill near Bicester in Oxfordshire which is going to be, apparently, a thousand or so individual self-build plots, all of which are going to be through custom build schemes effectively so it's happening, it's going to be a slow revolution.

We had a phone call into the office last week of somebody who was pretty upset about the fact that all these government schemes that we'd been profiling in the magazine over the past couple of years

hadn't really helped him at all. He was looking for a plot and what an earth was going on! He was desperate to build his own house but we had to tell him really that it's not going to happen overnight. The truth is it might be a generation before those things kick in.

Ben: It's funny, as you were describing that situation I suddenly thought to myself, I don't know that many people who've gone down this route so another thing it being unfamiliar, I probably know a lot more people who have just bought a brand new volume-built house than I do who have gone down the self-build route so how do we make that progression?

Jason: Well, absolutely, it's a cultural issue really and cultural issues do not change overnight. It's going to be a generation before our children grow up with the idea that it's a realistic opportunity for them and you don't have to be a rich person to do it and you don't have to go through the heartache that you might have seen on Grand Designs.

There's been a lot of research about how many people want to build their own house in the UK and I've heard figures of, 6 million, 1 in 3, all these kind of things. Actually when you begin to drill it down into now you've got to go and find a plot, how are you going to do that? All of a sudden those figures drop off significantly to the current situation of where we are with 11,300 self-builds a year. So until those people see it as a realistic option for them, which is not going to be overnight, and it's not going to be next year, it's going to be in 10 years probably then you're not going to have the massive demand and ultimately that's what it needs. It needs significant demand that is easily achievable.

Ben: Do you think that self-builders are intrinsically different? They must be very motivated people. All the people that I have met, I've just been impressed with. You can tell they're going to do because they've got the right attitude and I worry that as you say this cultural difference, I don't think we have enough people that have that determination, that drive, that willingness to learn.

Jason: Yes, there are many drivers for people to build their own house. There's many different reasons why people do it and I think what's interesting really is that the one thing that tends to tie them all together is a little bit of an entrepreneurial spirit.

Obviously I've met hundreds if not thousands of self-builders over the years and there's no common theme, you know, people from all walks of life and all jobs do it but I meet an awful lot of people

who've got their own business who are that kind of independent type and people who are generally dissatisfied with being given something that they believe is not really for them. So there's a driver to that of independence and individuality which I think holds them together as a type of person, regardless of the job they're in actually.

So there's that type of spirit and I think ultimately what needs to happen is that needs to almost be dissolved [Jason laughs] in a way. Custom build is all about making it attractive and achievable for everybody whether they're the most cautious, most timid person that you could imagine or whether they are that independent entrepreneur.

Ben: It's one thing saying custom build but where are we going to be getting this from? Are we looking at places like Germany where they are very successful and just bringing it over or do you think that . . . Because you almost take a bit of a risk going down this route because you need factories. I know that ArchiHaus have set up a . . . or are in the process of setting up a factory and that's quite exciting but it's a big risk for them as well.

Jason: A huge risk and I think ultimately, I know the government's been spending an awful lot of time looking at developments and housing cultures across the world. You know I've got relatively good experience of the States and also Australia, and my sense is that they've looked at that and particularly in Australia in my experience certainly there's all different types of self build exist so there is the custom build, there is the design and build package on individual plots which in a way mirrors our existing self-build culture but the numbers are just so significantly different. In Australia it's something like, a think somewhere between 50,000 and 100,000 homes delivered this way and a population of a third of the UK.

So there are significant changes that need to happen but basing it on an existing housing culture is certainly the way to go and obviously there's been an awful lot of talk about Almere in the press, you know certainly around the industry recently. That's a pretty good example of how it might work over here on a larger scale, although Almere is far from perfect. It's far from finished. There are a lot of interesting individual houses, there's a lot of demand for them I understand so it's something that I think people are interested in following but ultimately the British housing culture will create its own version, I think. Of course, we've got very distinct planning policies over here as well.

Ben: You mention other countries there. I'm just interested in your experience. Can we take any lessons from America or wherever it might be? What are other countries doing right that we're not?

Jason: Australia, you know, is the one I've got particular experience of and they are creating very interesting individual houses that are designed with an individual person in mind yet they're easing it through all the planning systems and the fixed cost issue is dealt with. You know when you build a house in Australia you're building it effectively out of a package. It's a bit like buying a new car, really. You've got the basic package, you've got the optional extras, all of which is guaranteed in terms of price and scheduled delivery as well.

So that model is particularly interesting. People know what they're getting upfront. Whereas if you build your house over here, as I've experienced, you can start in April and by June the budget's overrun, the design is probably different than it was in April [Jason laughs] and the builder has already gone, so you've got sort of issues that you need to address there.

It's going to take time to do. I think people are impatient for it but I think custom build will be a larger mass-market offering. You've also got to bear in mind that most people who buy houses in the UK buy second-hand houses effectively. You know, they are buying older housing stock and that's not going to change. I mean, there's 23 million houses in the UK. Even by adding 30,000 or 40,000 custom build homes a year the chances are that people are going to be buying a second-hand house rather than a new custom build house. So it's still quite a small part of the market.

Ben: We talked a little bit about some of the pitfalls we might fall into. Maybe we could dig a little deeper here?

Jason: Yeah, as I said, one of the key mistakes is scheduling and the cost situation which is set up from the start in a bad way, but I think another one is bad specification or slightly naïve specification is probably fairer to say, in that people do get attracted to the products and the materials that have a bit of hype attached to them.

I've heard the phrase 'eco bling' used quite a lot recently [Jason laughs] which I think is fair in some instances and one of the mistakes I see people going down is their willingness to spend tens of thousands of pounds, and it is tens of thousands of pounds, on eco bling products. I'm not denigrating these particular systems but things like heat pumps and solar panels and all the rest of it.

And actually they're never even going to spend £40,000 on heating or energy in their whole lifetime. So that's a simple issue that people need to address, really. One of things that I've really seen work very well is what's known as a fabric first approach which basically is making sure that you insulate your house really well and make it as airtight and invest in the solid materials that don't change. Minimising energy use and the heat demand in the house is by far the smartest thing that people will do, particularly if they're off mains. So, I guess, get the priorities right in terms of the way you budget and specify your house. It's a critical issue.

The other one is planning really and I think ultimately that is such a difficult thing for people to approach as an amateur, from a starting point, that they're often not willing to invest in expertise. You know they're often relying on their architect to guide them through the planning process and I don't want to come across as anti architect by the way [Jason laughs] but actually architects by and large know a bit about planning, they don't know loads about it. Particularly because planning changes so often. Their primary job is to design a really great house that meets the needs of their clients. What they're not going to be able to do, I don't think, is keep in touch with all those miniscule changes to planning policy which happen so often that we don't even know about them. So invest in expertise in the planning process and that obviously means a planning consultant. So yeah, finding a good planning consultant is an absolutely critical way of unlocking the potential of some sites.

Ben: It's always funny doing this podcast where I know there are people in other countries who perhaps can't understand this difficulty that we have but do you think it's going to relax a bit over time? Or is that wishful thinking? Or do we want it to relax? I don't know. This situation seems very odd. Most of the people that I speak to have far more difficulties than, oh that was fun, or that was easy.

Jason: Oh yeah, let's address the planning issue and the plot issue on that basis because there are unique factors to the UK in terms of a relatively limited land supply. I mean it's a small island ultimately in terms of acreage but actually our planning policies and the ways we've set up planning since 1948, it has changed, you know it's changed significantly over the years. If you look at the 60s and early 70s there was a huge number of houses built on green field sites on the edge of existing small settlements.

The town I live in doubled in size in the 1960s and it's a town of 4000 people. So planning policies do change over time and I think

despite all their best efforts the planning policies that we've put in since then have created more difficulties for people to build houses than we might expect really. Even now in 2013, it's almost impossible to get planning permission to build one individual eco-friendly house on a green-field site on the edge of a village when actually I know that wasn't the case even 15 years ago. It was a lot easier then. So we're moving towards more difficulty.

The government has done quite a bit in terms of the National Planning Policy Framework to ease things but it's going to be a few years before that begins to affect things on the ground. So the UK situation is unique in that we have a lack of land but also a cultural message that is we want to protect the countryside and the countryside is something that's not to be lived in ultimately, it's to be preserved as a museum. I don't see any other countries having that attitude and that is the one thing that I've really found difficult to accept. We complain constantly about the issues of pubs closing down and schools closing down, post offices closing down and all this stuff in the countryside that the countryside is effectively dying in my opinion. Yet the one thing we don't want is new houses to help young families live there. It seems completely insane.

Ben: Yes, this is the NIMBY situation effectively, isn't it, not in my back yard. I often look at it that I'm sure if these people who live in these areas felt they had more involvement or if they felt that the community was developing well they'd be much more up for it but it is this scary mentality and I'll tell you, I've seen it where I live that you just feel out of control as a town. I've only lived in this town for 8 years and I can tell you it has changed. It's just changed in how it feels as a place and that may just be London sprawling out. It's just that sense of control, I think that's what people don't like.

Jason: Absolutely and I think people are quite rightly quite precious about the places they live and I think to an extent everybody is a NIMBY. [Jason laughs.] I think you have to accept that really. It's easy to criticise people who do campaign against development but actually once you get into that really pretty village the last thing you want is a field at the back having 45 homes built on there. So we all have that mentality and I think that's acceptable and completely part of human nature really.

But also I think we have to accept that if we want our children to live in these villages and towns then we have to allow house building in certain areas and better for it to be high quality of individual design ideally than for it to be the kind of housing stock that we've seen go up over the years. I think that's probably one of the reasons that

NIMBYism has become so ingrained actually is that people don't necessarily object to quite nicely designed low impact houses near them. I don't think they object to that. What they object to and they fear is the estate of X named big house builder, that the houses look absolutely awful. It's all badly designed and is in the place of their old school. It's that kind of stuff that people really don't like.

Once housing design improves and hopefully once this custom build culture kicks in I think you might find the NIMBYism gradually begins to fade away. At least we hope that.

Ben: Another aspect that I want to throw in here, which I still feel, just every so often it crops up in my mind that we just have too many people on the planet and I think that is going to speed things up. Now I know that this is not probably relevant to discussion fully but I do feel that if we do encourage growth we're just going to keep heading down this route. Does this feature at all in house building or do we just let it go on?

Jason: Well, funnily enough I saw some stats yesterday where the world population . . . I was reading an atlas to my boy who's three and the first page was world population growth. It's something crazy from 1 billion to 6 billion in about 100 years or something like that which was terrifying really when you think about it and particularly when you think about the future needs. The fact is that people seem to want to come to want to come to the UK and people seem to want to have children, and I don't think you can necessarily stop either of those so to an extent you've got to face the fact that you need to create housing for them otherwise [Jason laughs] where are they going to live.

So you can either begin to go down a cultural shift where you create multi-generational households which I think is one interesting point so you're creating homes where people actually don't have to move out when they're 30 or 25 or 20 as it used to be when I moved out. [Jason laughs] And granny and granddad live with you as well, so that's one shift that could happen but ultimately we've got this figure of 250,000 new homes that are needed each year. Not one government has met it as far as I can see since the 1960s and therefore it seems unlikely that they're ever going to meet that target.

So we do need a smart approach and my sense is really that certain areas of the South East and actually parts of the Midlands to be fair are pretty much near to capacity in terms of what's acceptable in terms of number of houses. There's a huge demand

in those areas, I admit, but there are huge areas as well over the UK that need to be utilised better. If you go up into The North, The South West, into parts of Wales and into Scotland in particular there are huge areas where housing densities are the same as they would be in America or Australia, yet the whole of the UK seems to be based around a small patch of the South East which in itself is a bit weird if you think about it. I know it's the way the economy has developed. My sense is there are things that can be done there to spread the load a bit more around the UK.

Ben: Well, let's finish up here with just a couple of things. First of all going back to Homebuilding & Renovating. What is it that you give to someone that wants to consume your content, to read your magazines, to check online, whatever it may be, watch your videos.

Jason: Well look I think we've all done it, which I think really helps. We've all been through the process, which I think is the number one thing for us. It's helped us to kind of realise that actually as somebody who's building or renovating an individual home the whole world of self-building and renovation is quite daunting for the new person, you know for somebody who's not done it before.

There are lots of choices to be made about things that you don't know whether are bad or good. There are lots of people who are trying to take money off you to buy their products or services and what we try to give is independent advice and a bit of a guide through that jungle, and I think it's important to have that because there aren't many independent voices around in the sector. There are experts who work for heating companies or brick companies or architects or whoever who always, I think, they've always got something interesting to say, I absolutely value their discussion but generally they come at it from a particular angle and what we try to do is come at it from an angle representing the person who is trying to make that choice. I think that's absolutely fundamentally what we need to do and do more of, and I think we do well at the moment.

Also to an extent we're an advocate for it. There are obviously TV shows like Grand Designs really encourage people to get on and do this but I think what we try and do is give a realistic non-hyped assessment of what it's like to build an individual home or renovate significantly. My main criticism of Grand Designs as a programme I love, but my main criticism is it actually creates drama where there need not be drama. A fair few projects go over budget and over schedule but actually if you look at the grand scheme of the thousands of self-builds that happen each year, most of them are done very well and drama-free. My own project is a good case in

point. If you can get experts involved and listen to people, then generally it's a lot easier than you might think. I think that's one of the messages that we need to get out more as an industry actually is that it's not quite the daunting drama that you might expect by watching the TV shows. Actually it's a massively rewarding experience, life-changing really. It certainly was for us and something that needn't be as difficult as you might think.

Ben: Is there any final point or something that we haven't talked about that you think is worth concluding the interview on?

Jason: Well, sure, I think it's a changing world for self-builders and I think in terms of the way that they are finding plots and the way that they are getting planning permission is really going to change in the coming years ahead. I think it's a very exciting time actually for self-build in the wider sense because there's been so much effort put into making things easier and getting those millions of people who I talked about earlier who can't find a plot because when they go on Right Move plots don't come up. If that can significantly change then I think we'll see the wider self-build world change massively over the next five years and that can only be a good thing.

Ben: Jason, thank you very much.

Jason: No, thanks a lot. Nice to see you.