# Building Together:

## The collaborative new dawn of new build

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# The Wider Economy and New Build

**New build starts and future developments are inextricably linked to the success of the wider economy. Economists and construction experts have found that, historically, 2% annual growth in the UK's Gross Domestic Product (GDP) is a driver for growth in construction output. Unfortunately, the last time the UK exceeded 2% was prior to the referendum in 2016 when 2%, 2.9% and 2.3% GDP growth was created in the economy in 2013, 2014 and 2015 respectively. [1] Post referendum, a struggling pound sterling, reduced consumer and business confidence and political uncertainty has restricted GDP growth to 1.8% in both 2016 and 2017 and falling to 1.4% in 2018. As the March 29th Brexit deadline was pushed back to October 31st, HM Treasury compared 23 economic forecasts for the UK economy in 2019 and 2020. Unsurprisingly, Brexit and the very real prospect of a no-deal exit scenario has significantly depressed the expected growth with 1.3% GDP growth in 2019 rising slightly to 1.4% in 2020.**

These economic projections infer that construction and the new build sector will be significantly affected by the wider economic picture. Without the referendum result, the UK was on course to maintain its trajectory of +2% annual GDP growth which would have helped the new build sector to grow. [2] Trapped in a Brexit quagmire, the sector is being forced to confront: uncertainty affecting the price of materials and the ability to import easily, a reducing skilled labour workforce as experienced foreign specialists leave the UK, declining investor enquiries and a potential drop in consumer demand.

Whilst this may seem apocalyptic, the new build property sector is resilient and determined to control its own destiny. Despite a short-term 1% contraction in construction output in 2019, the sector is predicted to recover and improve by 5% in 2020. Before speculating on improvements to collaboration in the sector, it is vital to understand the current market restrictions set to impact all stakeholders in the new build process and the changing emphasis and trends of construction starts in both the residential and commercial sectors.

## The Contracting Construction Conundrum

The new build sector has been slowly contracting since the country voted to leave the European Union (EU) in June 2016. Between 2017 and 2018, the value of construction project starts declined by 8% from a collective worth of £21.2 billion to £18.8 billion. Forecasts speculate a more marginal 1% reduction in 2019 to £53.2 billion followed by a considerable bounce back with a 5% increase in the value of project starts in 2020, amounting to £55.8 billion. Whilst the total value of project starts would have fallen by 4.9% between 2017 and 2020, when the figures are broken down into individual sectors, the picture becomes a lot brighter. [1]

It is important to note that the following projections and forecasts are based on the assumption that the UK is able to leave the EU with a Brexit deal and formally planned transition period. A no-deal scenario will have huge ramifications which stretch far beyond 2020 and would affect the new build sector considerably more negatively than the current projections. Fewer private housing starts would materialise as house builders react to reduced housing demand; a reducing investor demand and confidence will restrict the progress of industrial and commercial builds; uncertainty regarding the free movement of labour will lead to a serious decline in skilled construction work and the supply chain could struggle with tariff changes and import costs impacting developers.

## New Build Residential Property – Shifting Trends

At the end of July, the National House Building Council (NHBC) announced that builders and developers registered the highest number of new homes for 12 years between April 2019 and June 2019. During the second quarter of 2019, 43,438 new homes were registered; the final quarter of 2007 was the last time this figure was bettered when the registration of 43,525 new homes took place. The Q2 figures were also 12% up on the same period a year previous. Broken down further, private sector new builds increased by 14% with affordable and rental sector registrations increasing by 7%. Whilst these statistics were able to stand out because of the extreme weather conditions slowing construction in the early stages of 2018, it was hoped that these figures were an indication of the new build sector's robustness, striving to achieve Governmental targets in persistently difficult market conditions.

[1] Forecasts for the UK economy: a comparison of independent forecasts - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817675/Forecomp_July_2019.pdf

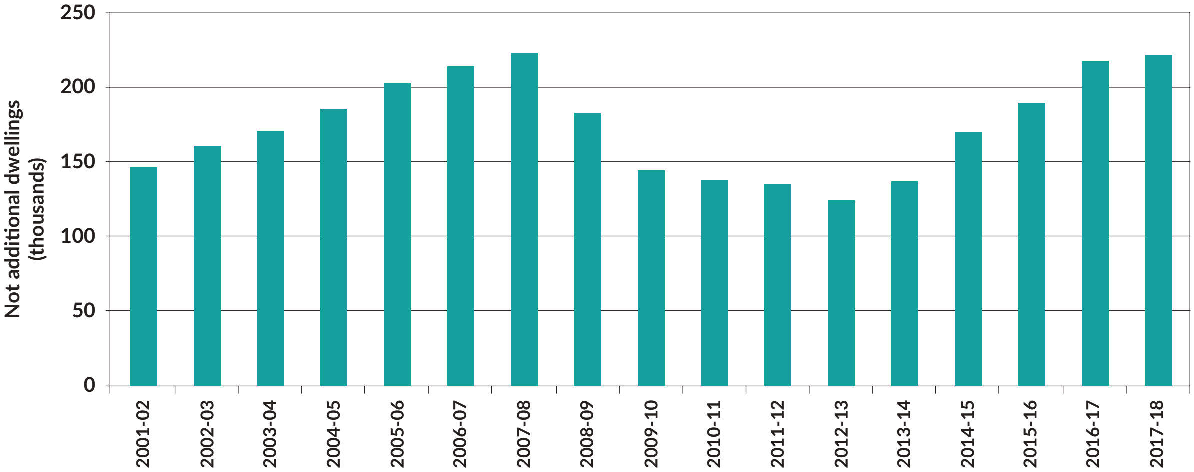
[2] Gleligan's 'Construction Outlook – Forecast 2019/2020'

To an extent, this is the case with the perceived resilience of builders and developers permeating through other data sets. Since a statistical trough in 2012-13, new build completions have increased by 65% from 118,540 to 195,290 in 2017/18. This figure also represents a 6.3% increase on the 183,570 completions registered in 2016/17. [3] In addition, around 25,000 additional dwellings were generated from retail to residential conversions.

Unfortunately, the raw data for 2019 is less flattering with suggestions the new build sector is entering a clear downturn.

According to the Ministry of Housing Communities and Local Government's (MHCLG) Quarter One data[4] on new build dwellings, the 36,630 new build starts during the opening quarter had decreased by 9% both annually and when compared with 2018's Q4 data. However, whilst the 42,870 new build completions were only one percentage point down on Q4 2018 figures, they equated to a 14% increase on the same Q1 figures from 2018. Throughout the year to March 2019, the 162,270 new build dwelling starts had increased by 1% on 2018 and the 169,770 build completions represented a 6% increase on the previous year.Although the numbers suggest a modicum of determination to improve new build output figures, they also highlight a slowdown. When the figures are compared with the same quarter new dwelling starts from 2015 (the last time the country experienced over 2% GDP growth) it is clear that builders' and developers' progress is currently being stymied by economic forces.

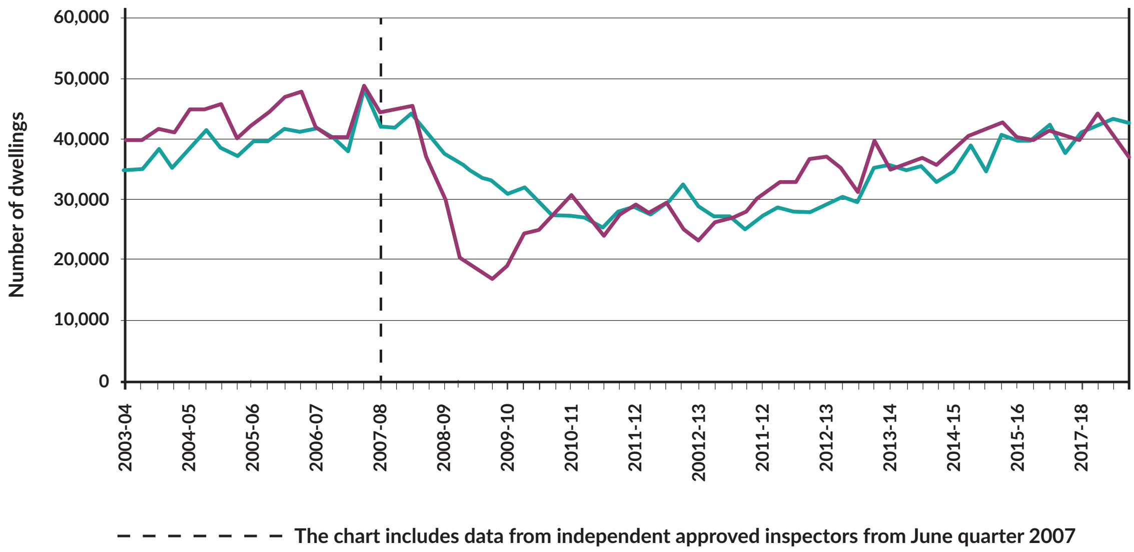
**Trends in housing supply; net additional dwellings, England: 2000-01 to 2017-18**




[3] Ministry of Housing, Communities & Local Government (MHCLG), 'Housing Supply; net additional dwellings, England: 2017-18' - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/756430/Housing_Supply_England_2017-18.pdf

[4] Ministry of Housing Communities and Local Government's (MHCLG), Quarter One data https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/814487/House_Building_Release_March_2019.pdf?_ga=2.81549207.1230707496.1566565985-231890544.1547726970

**Seasonally adjusted trends in quarterly new build dwelling starts and completions, England**




As the UK housing market cools amidst political instability, trends are beginning to change concerning opportunities being seized by developers. Private housing start investment shrank by 11% last year to £18.8 billion.[2] Forecasts speculate that the investment in private housing starts will drop 5% further in 2019 to £17.8 billion. HM Land Registry indications suggest that residential transactions will decrease by 2% this year to their lowest levels since 2013. The 84,490 residential transactions recorded in June highlighted a 16.5% decline when compared to June 2018 and a 9.6% fall from May's transactions.[5] Transactions in the year to June 2019, on a non-seasonally adjusted basis, had shrank by a quarter (25.1%).

However, strong growth in residential projects, especially larger projects building over 100 units, that have secured planning permission, has created a strong development pipeline ready to build in the near future. The extension of Help to Buy to 2023 for first-time buyers is also helping ensure new build properties continue to increase their 1 in 9 share in residential transactions. Additionally, the increased investor popularity in the private rental sector through buy to rent schemes will help to bolster and improve new build housing starts by 8% in 2020 to £19.3 billion. Build to rent projects made up 6% of the private housing starts in 2018, indicating a transitional trend moving forward with more investors looking to create housing to satisfy the growing demand in the privately rented sector (PRS).

In a similar fashion to the rise of buy and build to rent, other social housing trends may have to adapt in the future. Currently, student housing construction output makes up a quarter of all work in the affordable housing sector. As attitudes towards higher education shift, it is thought that student university entrants are set to decline by 4.5% by 2022, ultimately affecting and dampening the investment opportunity. Potentially, this could open up the sector to cater construction to a more diverse sub-section of society, creating new cradle to grave opportunities. More investors are looking to build for young professionals, unable to afford living alone, by creating affluent co-living accommodation for both rental and shared ownership.

Similarly, lifestyle living for older generations is increasing in popularity and will take a slice of student accommodation developments starts by 2020. 97% of a survey comprising of 200 senior figures in the later life housing sector believe that a shift towards the construction of more later living accommodation will play a key role in alleviating the housing crisis whilst also embedding a 'rightsizing' culture in the UK.[6] 73% of the later life housing specialists including local authorities, registered providers, private developers, architects, designers and care operators in the charity and voluntary sector agreed that this later life accommodation will increase over the next five years. However, 89% feel as though planning laws and legislative policy needs reforming in order to facilitate the building of these homes in the locations people would prefer to live. Over a third of sector professionals are calling for a Retirement Villages Act to help reduce the risk to investors and also create tax breaks, like stamp duty land tax reforms, to encourage older homeowners to consider 'rightsize' later life accommodation. This would both stimulate the new build sector and free up the existing family homes stock that is in desperately short supply.

Government policy is also heavily involved in adapting the landscape of new build in the future. Recent Governmental Commissions outlined a strategy of repurposing existing and unused retail developments.[7] Adopted recommendations could see retail parks and supermarkets turned into 'mixed' developments for communities. The report seeks a higher level of design being placed into developments with communities becoming more entrenched in the planning process to help reduce 'indentikit' housing issues. The report is a reflection of adapting economic conditions and the changing landscape of both residential and commercial new build property sectors.

[5] House_Building_Release_March_2019.pdf?_ga=2.81549207.1230707496.1566565985-231890544.1547726970 HM Revenue and Customs, 'UK Property Transactions Statistics June 2019'

[6] Housing LIN and Shakespeare Martineau, 'Shining a Spotlight on the Hidden Housing Market - https://www.housinglin.org.uk/News/New-Housing-LIN-report-looks-at-UK-later-living-sector/

[7] Homes England, 'Creating space for beauty - The Interim Report of the Building Better, Building Beautiful Commission' - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/815493/BBBBC_C

## New Trends Alter New Build Commercial Property

The rise of digitisation has led to a decline in the High Street and therefore a significant fall in the demand for retail space, reducing the desire to build retail units in the future. Retail starts in 2018 fell by 3% to £2.3 billion worth of investment with the downward flow only increasing in the future. [1] By the end of 2019, retail construction would have fallen by another 7% with the same decline expected in 2020. Currently, this is leading to an influx of big business using their predatory instincts to negotiate rent reductions through Company Voluntary Arrangements (CVA). PwC research found 2,481 stores closed on Britain's top 500 high streets in 2018. As 40% more stores closed in 2018 compared with 2017, developers and investors are quickly looking for a more viable and long-term commercial construction prospect.

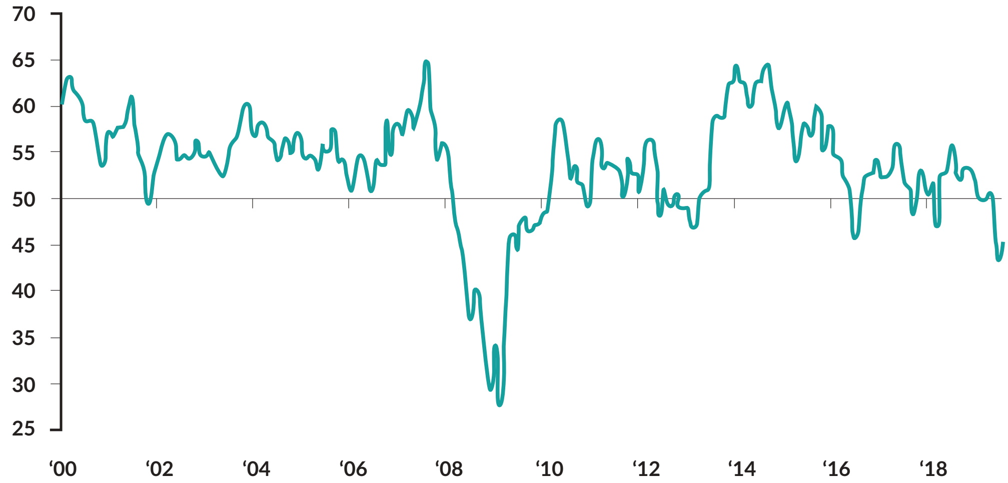
Warehousing and logistics are fast becoming the natural progression from bricks and mortar shop space with many retailers retreating or migrating onto the internet. Storing stock and having premises to quickly process online orders through this industrial space streamlines the process and provides the efficiency businesses are looking for. Glenigan forecast data suggests industrial starts, in logistics in particular, will increase by 2% in 2019 and 8% by the end of 2020. Areas with good access to national transport, like the Midlands and North West England are expected to exceed these predictions.

## The Bleak Outlook - Construction Stakeholders' Declining Sentiment

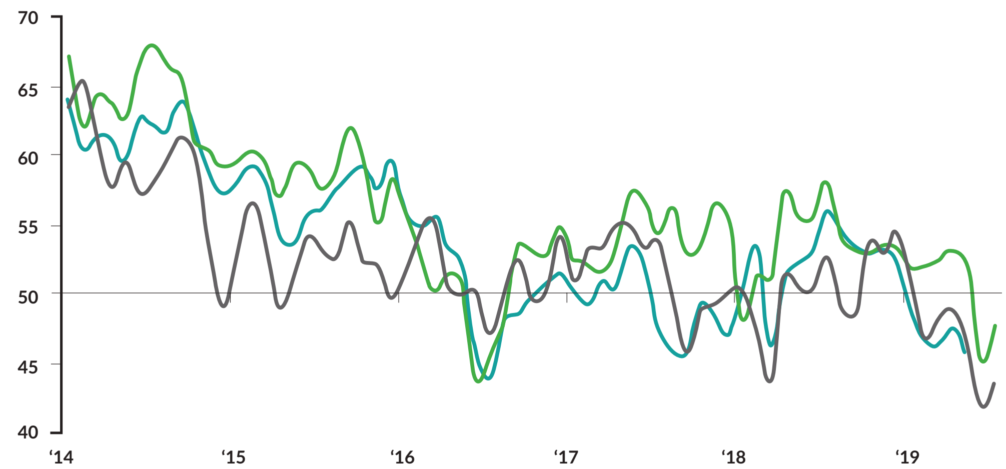
In May, the IHS Markit/CIPS UK Construction index slipped below the no change point of 50 for the third time in four months when it reached 48.6. This was the lowest recorded rating since the blizzardy conditions restricted construction output in March 2018. Since that point, construction productivity slumped for the third month in a row in July. [8]The reading of 43.1 in June and 45.3 in July emphasized the sharp drop in new order intake, lower volumes of work and reduced demand.

July data indicated a serious downturn after total order book activity fell for the fourth consecutive month, the longest period of constant decline since 2016. Risk averse investors delaying their developments or pulling out entirely has led to commercial construction becoming the worst performing sector in 2019. Construction company respondents cited confidence in the year ahead to be at its lowest levels since 2012, when the new build sector started climbing out of the trough and begin recovering.

**TOTAL ACTIVITY INDEX sa, >50 = growth since previous month**




**ACTIVITY INDEX BY CONSTRUCTION CATEGORY Housing / Commercial / Civil Engineering**
**sa, >50 = growth since previous month**




These sentiments of uncertainty and anxiety permeate through the sector with builders also worried about the future of new build. Over a fifth of employers reported a reduced workforce in the second quarter of 2019. [9]Concerned with the impact Brexit will have on the movement of imports and exports, 77% of respondents are convinced material prices will rise considerably. Whilst 37% of respondents have forecast higher workloads moving forward, this figure has fallen from 41% recorded in the opening quarter of the year. Overall, total residential construction output, reported by respondents, increased to a net balance of +6, including a +5 index reading for social housing construction output and +2 for private new build construction. Conversely, non-residential workload sentiment is falling into negative territory with a -3 reading overall, -10 for public new build projects, -10 for industrial projects and -6 for commercial projects. According to the RICS Q2 Commercial Market Survey for 2019, all sectors and stakeholders displayed firmly negative sentiment. [10] For a fifth consecutive month, the tenant demand indicator for retail property gave a negative net balance reading of -59%. Similarly, investor demand was also waning with a net balance of -9% confirming respondent understanding that fewer investors feel confident enough to enter the market at such an uncertain time. 53% of respondents felt the market was in some stage of downturn, a feeling that has garnered a similar net balance throughout 2019.

[8] IHS Markit/CIPS Uk Construction PMI - https://www.markiteconomics.com/Public/Home/PressRelease/7d05b69af55549adbc7429a8718ac2e0

[9] Federation of Master Builders, 'State of Trade Survey: Q2 2019' - https://www.fmb.org.uk/media/46124/fmb_state_of_trade_q2_2019-final-version.pdf

[10] RICS, 'Q2 2019: UK Commercial Property Market Survey' - https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/uk-commercial property-market-survey-q2-2019-rics.pdf

## KEY INDICATORS


Whilst the construction sector is forecast to grow from 2020 onwards, the limited economic growth has restricted consumer and investor confidence which has scuppered new build construction throughout 2019. If the sector stands any chance of gathering strength from the current position of weakness, all stakeholders need to collaborate, work together and ensure they are able to reverse the current perception of limited market confidence. Stakeholders should be looking to new and innovative solutions to overcome the current struggles when using traditional building methods. Modern methods of construction (MMC) could help alleviate the pressure of reducing building expertise. During the summer, the Housing, Communities and Local Government Committee warned that the Government must embrace MMC or risk missing the 300,000 homebuilding target. [11]With existing building stock available, it will also become increasingly important to repurpose unused and unwanted retail units. Whilst the 'Building Better, Building Beautiful' interim report calls for conversions of older retail sites into multi-use spaces, many local authorities cautiously oppose the transformation for fear of failing to provide the necessary retail space in the event of a sustained period of economic boom. Freedom of Information data has found that approved retail to residential conversions has fallen by 17% in the past year from 452 in 2017/18 to 376 in 2018/19.

[11] Housing, Communities and Local Government Committee - https://www.parliament.uk/business/committees/committees-a-z/commons-select/housing-communities-and local-government-committee/news/mmc-report-published-17-19/

# The New Build Process – Disruptive Approaches to Collaboration, Efficiency and Consistency

## Planning: Delays Before a Spade is Laid

The housing crisis has widened in recent years, with the UK lacking the property it needs in the locations desperate for them. People are being forced to live in undesirable locations in homes that would not be their first choice. The coalition Government and the current Government in particular have addressed the need for 300,000 new homes per year by 2025 without grasping the full understanding of the current issues hindering new build developments in the UK. Under-funded planning departments, inconsistent local authority approaches, and a migration of planning officers from the public to private sector is having a fundamental impact on the changing landscape in the early stages of the new build process.

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## The Plight of the Public Sector

To a large extent, the early stages of the new build process is drained of clear impetus and urgency through the planning and pre-application process. Since the creation of the Town and Country Planning Act 1947 and various subsequent Green Belt amendments, the Government has inadvertently centralised planning and taxes[12]. Green Belt land imposes an almost total prohibition on development. Whilst the protection of green space is important, over the past forty years, protected space has expanded exponentially, making it increasingly difficult for local authorities to find development space in desirable locations. Since 1974, Green Belt land has increased from 692,800 hectares of coverage to over 1.6 million hectares, or 14% of England's total land mass. Although the system aimed to prevent urban sprawl, the green belt sprawl has swallowed derelict and previously built on land in locations close to current towns and cities, preventing local authorities from building in their preferred locations.

The centralisation of taxation was also viewed as a catalyst for creating an adversarial planning system between developers and local authority planning departments by the Institute of Economic Activity. Since the end of World War II, central Government has collected over 95% of all taxes, reducing the power of local councils considerably as a result. The report claims that local Governments are little more than 'distributors of grants,' often at the mercy of the central Government for proverbial handouts. When money is limited, planning departments are usually underfunded with local authorities choosing to spend money in other areas.

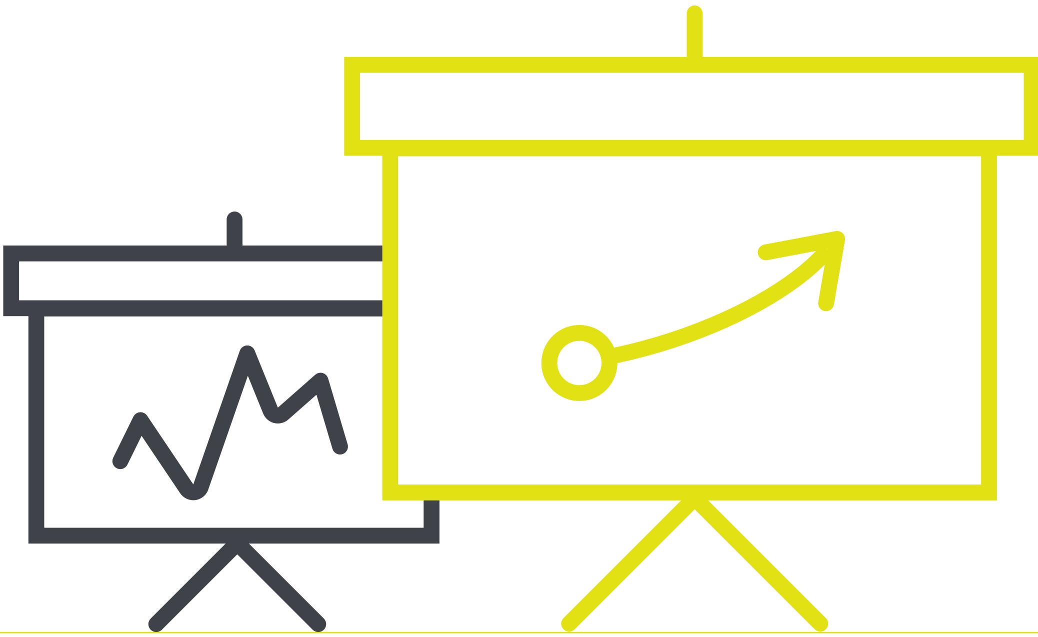
Additionally, current legislation actively deters planning departments from approving many developments. Any development that is not restricted by Green Belt or any other regulatory control, will offer a limited tax benefit from housing for new residents as this will trickle into the central pot. However, infrastructure contributions and administrative burdens would be a significant drain on an already underfunded local authority system. This had led to a culture of blocking proposed developments as this incurs limited costs, contributing to increased planning costs and a fragmented system.

Local Authorities (LA) spend less than £900 million on planning annually, according to figures from a recent Royal Town Planning Institute report[13] . However, it is estimated that over half of this investment is recouped in planning fees and other income; estimates suggest that direct net investment in planning by LA's is only £400 million or £1.2 million per LA.

This marks a 42% decrease in planning investment since 2010. The £401 million investment made in 2017/18 represented 0.5% of all central Government net spending. Despite housing need becoming a Governmental priority in recent years, this figure pales in comparison to the £686 million or 0.6% net spend investment made at the turn of the decade. The current system is struggling to function adequately when both real and actual term investment in planning has declined.

In short, planning departments are unable to work efficiently and are being forced to reprioritise time and resources in order to tread water. Currently, funding issues are forcing LA's to re-evaluate how funds are allocated to planning. In 2010, £404 million was invested in development management (DM) processes which set up systems to work with developers to help create a viable planning application; this made up 37% of all planning investment. In 2017/18, this percentage had fallen to just 21% or £184 million. To compensate, 48% of all planning income or £430 million is made through charging for DM services, costs and fees.

Planning departments are now geared towards selling services rather than working to the benefit of the local community. Throughout the decade, reduced emphasis has been placed on planning policy, falling from over a quarter (26%) in 2010 to 24% in 2017/18; a total loss of £63 million. As investment becomes tighter, LA's have been forced to focus on income generation to supplement the lack of central Government funding. In 2012, planning fees increased by 15%; the UK experienced another hike in fees last year with planning fees rising by a further 20%. In total, these increases helped the Government accrue £100 million more from fees since 2010. Although this process is inconsistent between LA's, it is thought that £50 million was made in 2017/18 through charging for pre-application services.



[12] Institute of Economic Activity, RAISING THE ROOF How to solve the United Kingdom's housing crisis, Jacob Rees-Mogg and Radomir Tylecote, July 2019

[13] Royal Town Planning Institute, Resourcing Public Planning, July 2019

# Case Study 1

## Planning Challenges for Developers

### Dominic Woodward – Developer and Director of Tri-Core Developments Ltd

Actually building, once you're allowed on site, is a relatively straightforward process. The planning system, however, is a very different prospect. Planning system delays, due to planning departments being understaffed and overworked, usually means requests for extensions are commonplace. Pre-commencement conditions suffer from similar local authority process delays. Scheduling when a project will start is extremely difficult due to delays with the planning process.

We had an application for a site aiming to build a block of 22 apartments which had a target date of 18th July. Given the strain the planning department is under, the inevitable request for an extension was made by the local planning department until a date in September. This is considered fairly normal to our team as pretty much every application gets requested for an extension. Already, this means we are over eight weeks behind schedule.

Having waited through the extension time, the scheme was one week from the new scheduled deadline for receiving a decision. To that point, no material concerns had been raised over the scheme and it seemed the scheme was going to be approved. Unfortunately, a 3-page response explaining why the planning department could not support the development in its current size and form was sent back to us only three days prior to the deadline. Issues like this, to a small developer, can take their toll as the time delays and financial add-ons can make a development unviable.

In this instance, our planning consultant had to escalate a complaint to the head of planning at the council. The following excerpt from our letter outlines a number of issues raised in the complaint:

> **We had no inkling that this bombshell was about to hit us and since the planning officer's main concerns are about scale and massing, which should have been one of the first considerations back in May, not only have we all wasted our time and money (paying for the viability report which we didn't authorise until we felt fairly comfortable that the proposal was okay in principle), but all of the other consultants - including your in house people - have all wasted their time because if we have to change the design then:**
>
> **a) all of the drainage calculations and designs are wrong**
>
> **b) the highways issues are wrong**
>
> **c) the viability report is also viewed as inaccurate**
>
> **d) we now can't make the purchase deadline**
>
> **e) and the sale price is wrong for the number of apartments that we are likely to get i.e. there looks to be a reduction of 10 apartments required to suit these last changes in requirements, which now takes us out of the affordability situation altogether and thus the £10,000.00 fee was not required.**

For such a basic yet fundamental issue of scale and size to be left until 3 days before determination is outrageous and Local Authorities must put a stop to these late decisions which are becoming the norm.

Eventually, this scheme was passed two months later with an amended smaller scheme of 18 rather than 22 apartments and at our extra expense for paying for the changes outlined in the complaint.

This was a particularly extreme example but instances like this one are not uncommon. Planning officers are understaffed and overworked. Work constraints restrict them from actually looking at a scheme until they have to. Typically, this means a few weeks before determination. Without a doubt, the current pre-application and planning process leads to wasted costs for the developer and needless delays all round.

## The Implications for Successful Delivery of New Build Developments

The constantly shifting focus within planning departments has had a monumental impact on the look of the wider planning sector, as public sector planning officers are increasingly looking to migrate into the private sector. Of the 22,000 planners currently working in the UK, according to Office of National Statistics data, it is estimated that only 55% work in the public sector; this figure has decreased from 70% in 2010. If the migration continues, it will lead to more inexperienced planners working on complex cases which will inevitably cause increased delays and problems.

LA planning departments are already experiencing huge inconsistencies in terms of planning expenditure and approaches. It is thought that in 2017/18, LAs in the South East of England invested more into planning than any other authority area. The £13 net expenditure per person dwarfed the £4 invested in North West England. These inconsistencies also permeate through to the DM approaches. Some authorities offer limited advice in the pre-application process and will not charge the developer for the ad-hoc and often rushed overview. In comparison, some local councils will charge huge amounts of money for a thorough pre-application consultation. As the case study highlighted, rushed applications, scrutinised and processed at the last minute, lead to huge delays and increased costs for developers. Since 2011/12, the aggregate value of Community Infrastructure Levy (CIL) and Section 106 planning agreements and obligations have increased by 61% up to 2016 (the most recent data set available). [14] During this time, charges and obligations aimed at developers increased from £3.7 billion to £6 billion. At the end of 2016/17, 133 local councils out of 339 (39%) were charging CIL with a significant levy of £945 million. Since the introduction of CIL in 2010, the report has found a clear correlation between the levy and significant building delays with additional expenses causing viability issues.

In turn this is creating an unfair barrier to entry with small to medium sized (SME) developers unable to continue paying huge amounts in fees, incur costly time delays and abide poor planning communication only to be told they need to amend their application and repeat the same costly process all over again. Larger developers on the other hand are able to absorb these costs and delays by applying for multiple developments in the hopes of one succeeding. This growing monopoly between the larger few developers building the majority of new builds is having a profound effect on our landscape with investment in design being usurped to cover application costs. This creates an 'indentikit' housing landscape filled with homes people do not really want to live in and increases nimbyism, apathy and reduced trust in new build stakeholders during the early part of the process.

The perception of new build property as soulless, ugly and poor quality has created a feeling of distrust and apathy towards developers and local councils. A recent 'Rebuilding Trust' report, completed by Grosvenor Britain and Ireland, found only 7% of respondents trust their local council to make decisions in the community's best interest. This reduces to only 2% of developers. Overall, 44% of respondents believe developments will result in a negative impact on the local community[15].

## The Digital Revolution – Improving Efficiency, Cost and Time Delays... Eventually

14% of all land in England and Wales is currently unregistered[16] with 20 administrative areas registering less than 80% of all land. When such a huge percentage of land is officially unregistered, the process of buying and selling land for developments becomes difficult. HM Land Registry (HMLR) are currently modernising their approaches in order to improve land data. This will be achieved through comprehensive land registration by 2030 and the registration of all publicly held land in areas of the greatest housing need by 2020 and all other areas by 2025. HMLR are insistent that this is an important step forward in ensuring all landowners are aware of the land they own. This is especially pertinent for publicly owned land. HMLR recently worked with a local authority on a registration programme, identifying a parcel of land worth in excess of £100,000 the LA were unaware of. Earlier this year, a Public Accounts Committee report found that the Ministry of Housing Communities and Local Government (MHCLG) will be in a position to release a mere 57% of its land which would have been used to build 160,000 homes. Unfortunately, the Government were only able to release enough land to build 91,000 homes. Following the digitisation and collation through a more comprehensive land registration system, it is hoped that land acquisition could become more efficient and will reduce contentious land disputes and ransom strips in the future.

[14] Ministry of Housing Communities and Local Government, 'The Incidence, Value and Delivery of Planning Obligations and Community Infrastructure Levy in England in 2016-17' - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685301/Section_106_and_CIL_research_report.pdf

[15] Grosvenor, 'Rebuilding Trust', - https://grosvenor.com/Grosvenor/files/a2/a222517e-e270-4a5c-ab9f-7a7b4d99b1f3.pdf

[16] Data provided by HM Land Registry - July 2019


## The New Build Home Buying and Selling Process

New build stakeholders exist to provide a unique service to an eclectic and diverse consumer base. The new build sector provides a commodity, a product, potentially the largest and most expensive purchase a person will make in their lifetime. As the average UK adult spends over eighteen years in their home before moving, they rely on the experts working in new build to help them successfully and seamlessly navigate through the process. [17]The huge amounts of money involved in each transaction naturally means the new build environment can be fraught with peril. Stakeholders remain guarded, shielding and safeguarding their interests by protecting their own accountability in the process, often to the detriment of others. And usually at the cost of an efficient and positive consumer experience.

### Consistency, Efficiency and Communication Before Innovation

Before Parliament broke for their summer recess, the Government announced a number of key changes to the new build sector. Addressing several concerns regarding buyers struggling to assess the quality of their home at the point of purchase and complaints traditionally taking too long to resolve, a New Homes Ombudsman was lauded as the solution. Tasked with improving consumer satisfaction levels and creating a standard and regulatory set of guidelines for all stakeholders to follow, it is hoped that this will produce a more consistent service in the future. At the time of writing, the Government are nearing the end of a rigorous consultation seeking to clarify how the role of the New Homes Ombudsman is perceived by all stakeholders.

Many anticipate compulsory enrolment for all stakeholders which should enable the New Homes Ombudsman to effectively regulate developers and help resolve the issues of fault snags and fix delays.

Currently, a lack of formal regulation and consistency is leading to huge variances in the quality of new homes being produced, but also in the process of buying them. The inconsistent quality of new build homes has been widely publicised and documented with many nightmare builds making their way into prime-time television slots. Although these extreme cases expose a problem with many newly built homes, the satisfaction of new build owners is somewhere in between this dystopian nightmare and the testimonials plastered all over a developers' advertising collateral. The National New Home Customer Satisfaction Survey[18] found an unequal buying and selling experience with the vast majority of new build owners facing numerous issues. Little over a third of respondents (39%) were very satisfied with the final finish of their home with nearly a quarter (24%) feeling fairly or very unsatisfied. Similarly, only 45% of respondents were very satisfied with the condition of their home on the day they moved in. Snagging issues were a major concern, with 99% of respondents reporting a problem to their builder or developer and 34% finding more problems than the buyer had expected. 42% of respondents had found at least six serious snags that needed addressing whilst over a quarter (26%) had found over 16 issues that needed resolving by their developer. One of the fundamental concerns involves the shock of finding unexpected imperfections in the buyer's dream home. The New Homes Ombudsman will need to consider legislation around snagging surveys and when they can be completed by the buyer. Currently, many developers refuse entry to the property until after completion, with some speculating that the developers' motivations to fix issues reduce significantly once the deal is complete. A completed snagging survey prior to completion could reduce the time it takes before snags are complete and create a more efficient process.

Furthermore, 9 in 10 survey respondents are in favour of a snagging retention fee withheld from the developer until all snags, defects and structural faults are fixed. [19]The overwhelming sentiment involves a lack of understanding and empathy from new build stakeholders and a perceived imbalance of power leaning away from the consumer. In turn this has created a negative perception of the new build sector. 40% were unhappy with the snagging process with over a third (37%) left reeling because defects were not adequately resolved by the builder or developer within two years of completion. Many were also concerned with the treatment and communication they received during the sales process. A fifth of respondents felt pressured by their developer and conveyancer to put down a deposit, over a quarter (27%) were unhappy with the quality and information in sales documentation with over a third (35%) experiencing inaccuracies in the information presented within the reservation document. Over a third (35%) were also unhappy with the conveyancing process and the lack of redress involved with accountability for 'completion' timings (33%). The following perspective from a respected surveyor highlights the issues impacting the new build sales process and the importance of ensuring greater developer accountability and consumer power to help drive standards and public perceptions of new build.

[17] Hometrack calculations based on Land Registry and Registers of Scotland - https://newsroom.barclays.com/r/3658/uk_homeowners_stay_put_for_nearly_two_decades_choosing_to

[18] Home Builders Federation (HBF) and New Home Building Council (NHBC), 'The National New Home Customer Satisfaction Survey' - https://www.hbf.co.uk/documents/8389/CSS_HBF_Brochure_2019_with_table.pdf

[19] The HOmeOwners Alliance, 'The HomeOwner Survey 7th Annual Report' - https://hoa.org.uk/wp-content/uploads/2019/08/2019_HomeOwner_survey_report.pdf

# Case Study 2

## The Surveyor Perspective – Sorting out New Build Snagging Concerns

Alan Milstein – Residential Property Surveyors Association (RPSA)

There are a number of issues preventing the current new build system from working effectively. During the home buying and selling process, the chronological sequencing of key events is skewed in favour of the developer to the detriment of the buyer. From the perspective of RPSA, there is no formal mechanism that freely allows new owners to have an independent inspection of the quality of the property prior to completion. We need a recognised set of snagging standards that consumers can have faith in, and which builders will accept as being an important part of the process.

I have had recent (first hand) reports of new owners who have identified (only after moving in) hundreds of snagging (and more major) issues. Because there was no formal and legal process to assess the property before completing, owners have then struggled, sometimes over years, to get the extensive list of snags properly dealt with.

We have been pressing Home Building Federation (HBF) and New Home Building Council (NHBC) to sit down with RPSA to start working on a set of standards that can form the basis of a visual snagging survey. From the perception of the surveyor, the problem is that they simply don't want to admit that there are snagging issues, let alone work towards a collaborative way of dealing with them.

As a sector, surveyors need to champion the importance of creating a standardised system aimed at recognising quality and faulty work. We can create (in collaboration with builders) a set of practical and workable standards that will form the basis of a visual snagging report. RPSA can come up with a straightforward (iPad based) snagging format that can be carried out in an objective and standardised way by surveyors. This is vitally important to the sector as there are currently no holistic standards and so reports are subjective and hugely variable. Both consumer and builder can then work off the same script. This also fits with the proposed New Homes Ombudsman who will need a way to measure quality.

The role of other stakeholders is quite simple; builders/HBF and warranty providers, such as NHBC, need to come to the table to discuss the creation of a set of snagging standards. Consumers have absolutely no protection when it comes to snagging issues. However, these are the sorts of defects and quality problems that are causing massive dissatisfaction with new build homes. We desperately need a process where surveyors can readily get in to inspect properties before completion, and that builders accept that they need to deal with these quality issues promptly and properly.

Consistency in processes will clearly help the consumer and the New Homes Ombudsman is well placed to regulate and enforce change to create the unity, ensure quality and safeguard consumers. However, consistency in the new build process will also benefit other stakeholders. As has been already noted, planning departments vary greatly in the way they operate. The rise of Help to Buy has undoubtedly helped sector recovery since its introduction in 2013. Whilst its rise in popularity has helped ignite a static housing market, the speed of its success has prevented LAs from developing a consistent approach and as such, the way local authorities coordinate Help to Buy by communicating with key stakeholders differs massively. The area of London, anecdotally, offers little help and advice to the conveyancer. Paperwork can be labour intensive and time consuming. As more people use this method of house purchase, conveyancers in certain areas can be overwhelmed by administrative tasks, diverting their attention away from the actual legal service of advising the home buyer. Conversely, Help to Buy South automatically pre-populates paperwork, creating a more efficient service and making the journey easier for both buyer and conveyancer. Sharing this good practice and ensuring it is used on a wider scale will create a smoother new build experience for all concerned.

## Embracing Holistic Digital Data Sources

This issue has been a long-held concern within the industry. Local searches plague and delay some transactions whilst other Local Authorities pride themselves on instant search results. Last year, the Housing Minister wrote to all local authorities giving them targets of completing search requests within a maximum of 10 working days. Unfortunately, the majority of local authorities are struggling to meet these deadlines. The area of Derby was taking 44 working days or nearly nine weeks. Last year, Stratford District Council was given the crown of slowest search returns by clocking up 95 days. In contrast, areas of Devon return search requests within two working days. Whilst the system is so fragmented, compartmentalised and subjective, it is difficult to see how things can improve until a more holistic, standardised system is put in place.

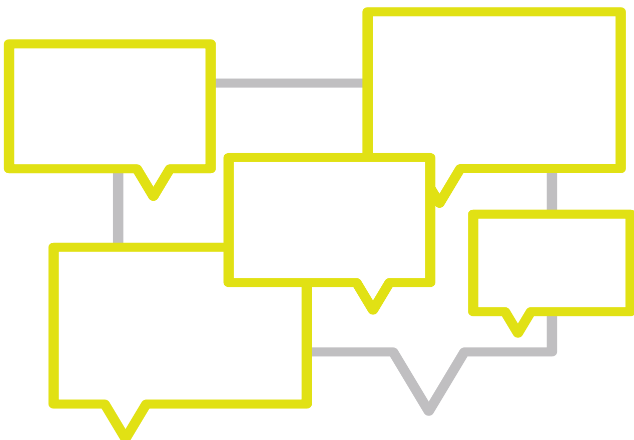
This type of shared data source remains a utopic dream for many in the new build sector. The Home Buying and Selling Group, comprising of experts throughout the property market are working on ways to create a unified data source which could be used by all stakeholders simultaneously, creating a seamless and clear audit trail. Government figures estimate that £270 million is lost annually to housing fall throughs, scuppering up to a third of all UK housing transactions per year, many of which fall through because of poor buyer and seller visibility. Instant communication is now becoming a consumer pre-requisite and stakeholders need to adapt in order to thrive in the changing marketplace. 55% of consumers would be willing to pull out of a transaction due to a lack of visible progress. [20]Digital portals and sales progression software, like mio, is helping to reassure buyers and sellers that things are moving and places the consumer at the heart of the transaction. A mio pilot project in Cardiff saw fall through rates reduced by a third by using a transparent and secure portal tool. Digital innovation has been heralded as an improving area amongst solicitors according to the Solicitors Regulation Authority (SRA) in 2019. 63% of firms are preparing to migrate to an e-conveyancing service with firms increasingly embracing text messaging and online portals in addition to traditional email. Offering a technological solution to communication issues in a consumerist environment will improve confidence in the sector and reduce consumer frustrations.

### Communication and Properly Informing the Consumer

A plethora of recent reports have outlined concerns regarding the communication between key stakeholders in the new build process. Some reports highlight a strained relationship and a culture built around blaming each stakeholder for failings within the system. Other, more concerning reports, emphasised a connection between stakeholders, potentially exposing a conflict of interest which could be detrimental to the buyer of new build property. At the beginning of 2019, the National Trading Standards Estate Agency Team investigated the legal controls around the transparency of fees, concluding that fees are permissible but should be disclosed to the consumer, so they are able to make a clear choice and potentially search for a better deal. The sector has been adjusting to the fact that fees estate agents earn through referrals to conveyancing departments and other legal services must now be clearly explained to the consumer. Whereas this communication sought to improve the consumer journey by providing greater information and widening consumer choice, a lack of communication and accusations of conflicts of interest have blighted the entire sector.

Developers were accused of manipulating conveyancers into coercive behaviour towards the clients they were supposed to protect. Paragraph 72 of the Select Committee's report on Leasehold Reform[21] condemned developers for taking advantage of their position by inadvertently pressuring solicitors to remain compliant and secure their place on the conveyancer panel. Similarly, they were accused of failing potential buyers by coercing them into using developer-recommended conveyancer solicitors. Solicitors were equally criticised for neglecting their position in favour of relying on repeat business from developers. The report was anxious that this symbiotic relationship between developer and conveyancer could result in the solicitor favouring the developer and failing to put the needs of the consumer first as they look to perpetuate their income stream with repeat new build business. Conversely, Foot Anstey LLP found that many legitimate conveyancing firms, specialising in new build transactions are correctly being recommended. This expertise and nuanced understanding of the new build sector can be invaluable in creating a more efficient and swifter process which justifies the preferential treatment as developers feel confident that they can trust the conveyancer to improve the process for all concerned. Whilst the Government were quick to highlight the destructive nature of this relationship, it has the potential to bolster and speed up the process. Potentially, Government intervention with an official rating or enforcing additional service transparency through explanations as to why certain firms are recommended could create a safer system here.

The SRA's recent Residential Conveyancing Thematic Review was difficult reading for a number of conveyancing firms as many fell short of meeting their client obligations this year[22], vindicating the findings of the Committee Report into Leasehold failings. Over a quarter (26%) of buyers felt rushed into completion by developers and conveyancers. The same number felt ill prepared having been given an advance draft copy of their leasehold contract on the day of completion. Conveyancers and developers were also found to be omitting key information and failing to ensure the buyer was fully informed before making the purchase. Over a fifth of firms failed to fully inform the buyer about the distinctions between ownership types by neglecting to explain the key differences between leasehold and freehold ownership. Almost a fifth (17%) of leasehold buyers were not educated on the contents of their leasehold agreement, including pertinent details concerning ground rents, permission fees and freehold titles.



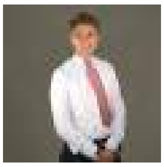
[20] Mio, https://mio.co.uk/

[21] Ministry of Justice, 'Government response to the Housing, Communities and Local Government Select Committee report on Leasehold Reform' - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/814334/CCS0519270992-001_Gov_Response_on_Leasehold_Reform_Web_Accessible.pdf

[22] Solicitors Regulation Authority, 'Residential Conveyancing Thematic Review' - https://www.sra.org.uk/sra/how-we-work/reports/residential-conveyancing-thematic-report.page

# Case Study 3

## The Estate Agent Perspective



Hugh Roberts –
Land Manager

Preston Baker
Land & New Homes

Currently, there are many barriers hindering a smoother new build process, they include:

## 1

Lack of integration between the end user (advice given by a sales team) and the landowner/developer on small scale schemes, hampering smaller developers being able to make an impact on the market. Too often architects and planners will be contacted by a landowner to apply for planning permission to increase the value of their land, and this will be done without any acknowledgement of the end purchaser. Demographic and site-specific analysis should be undertaken prior to scheme submission to ensure unit types are appropriate for the core user of an area and that this maximises the gross development value and, in the landowners' benefit, the best land value. Failure to do this results in an outline permission that effectively establishes the principle of development, and the rest is useless. Any developer looking to purchase must then completely redesign the scheme. The most appropriate course of action is allocation through the local plan or a pre-application submission, however these are often not the preference of architects or planners as they are not as profitable.

Ideally, if an outline or a wider scheme is to be a successful tool in speeding up the planning process, an understanding of what the developer wants, which is what the end retail client wants to buy, needs to be considered from the first step. We are currently undertaking a number of consultancy roles, working with architects and planners on schemes where we run full demographic analysis, comparable data and then suggest the optimum scheme which will be attractive to a developer.

## 2

Ad hoc implementation of affordable housing and community contributions from developers countrywide. The theory behind this is to allow councils to adapt to meet the needs of their individual area, however, this isn't always the case. In the case of councils still implementing Section 106 obligations, one of the reasons so many smaller sites do not ever come to fruition is that a Section 106 is agreed with the landowner at outline permission stage. The landowner is not aware when agreeing this whether it is a good idea or not, as it is not spelt out or quantified for them in cash terms (except on the gross development value, and therefore their residual land value). The solution to this is for councils to seek a lower affordable number of dwellings per site, or an off-site commuted sum and to release more land for purely affordable/shared ownership schemes or build these units themselves. This does not affect the larger developers, who will sell their affordable units at sometimes 95% of market value to investment companies offering a part buy/part rent product for example, but for the mid-size and smaller developers, this is not a viable option given the low margins, and lower offers from traditional housing associations for affordable units (for example 3 out of a site of 9).

## 3

Overarching all of this is the inability for professionals and consultants to work effectively for middle range and smaller developers, which the larger developers naturally have by accruing specialists inhouse. Developers should surround themselves with a crack squad design team including: planning consultants, architect, land agent, new build agent, finance etc. with every part working towards the same end. Smaller developers usually do everything themselves, and by organising a design meeting and getting everyone around a table, all issues can be addressed simultaneously. This will increase competition in the new build market and free up the cartel of the main house building names.

## An Important Anecdotal Warning: Crossed Wires, Governmental Quotas and Failing to Understand Community Need

Another key issue involves building and planning a lot smarter. Stakeholders should be aware of the area they are planning to build, looking to cater for the demands and needs of the people living in the local area. Too often, these considerations are overlooked.

An example of a site which will never get developed is a site in Thorne, Doncaster. The site layout and application was designed by a commercial architect, who placed large 5 bedroom detached units in a low value area where the majority of housing is 2/3 bedroom terraces. There is no market for this and therefore the sale price of a unit would not cover the build cost of the building. The land owner was not informed how much this planning would value his land at, and would not accept a subject to planning offer, therefore there is a site with useless planning, which gives a nil land value as it is completely undeliverable.

In addition, the Local Authority implemented a Section 106 agreement without any viability study, they grabbed the agreement which goes against their numbers, but this is a cost which cannot be borne by the site even if the units were developable.

In principle, for the Local Authority's number, passing this planning gives units permitted on their local plan details, and affordable units owed to them on completion of the development, but the site will never be delivered, so these exist on paper, but never in reality.

Trying to get this site delivered has wasted council planning department time, time which could be better spent addressing other sites which are deliverable. The desperation of getting the Section 106 numbers on the site actually prohibits the delivery even further, so they get the promise from a landowner of x number of units delivered, but no developer will ever build it, so those units will never materialise in real life.

If the land owner had had a proper team of experts giving full advice on the type of unit, potential gross development value, and the residual land value he would expect, plus offering viability studies to reduce the Section 106 agreement in advance, this would have made the site viable.

Nearby sites by large house builders are successful because they work this approach from day one in house. Smaller sites cannot do this unless there is a wholesome approach from the consultants and experts.

## New Build Processes – The Benefits of Specialists

Estate Agents, in my opinion, are people dealing in the sale of residential property these days. As things have evolved, due to the complex nature of planning policy and a more in depth, structured valuation method, as well as commercial transactions, it is important that any agent is well versed in planning policy and impacts on a site. They should no longer operate as a mere 'middleman' trying to earn a fee by joining the dots. I am a Land Manager and do not deal with new build sales, as I know very little about choices, carpets, CML forms etc. apart from a basic understanding of the process. I am there to get sites matched to a developer who can deliver a product and ensure that the land in the first instance is deliverable and saleable, both to a developer, and on the back end. All stakeholders should consider their specialism and how it can create a more bespoke, efficient benefit to the whole process.

Developers should use land agents/development consultants to work with them on the front end, with a close relationship with the sales end who understand the new build process to ensure: help to buy applications are implemented on time, solicitors are prepared for 28 day exchanges, marketing is targeted and well thought through - not just listing on Rightmove, but including social media marketing, demographic targeting, database building etc. Again, the big guys do this in house. So small and medium developers need to use dedicated specialists focused on delivering their product, not trying to sell new builds in the same way you would a 1950s semi.

## What are the potential solutions to improving collaboration between new build stakeholders?

This rests with the developers, and slightly with the parties themselves. Solicitors dealing on a commercial transaction should be referring new build specialists and development consultants, architects, planning consultants and the like. This shouldn't be a 'I will get them to give you a call,' but actively staying involved in the process and giving each other information. Recently, a commercial solicitor called me in to discuss his client's land, which had two restrictive covenants and two adverse possession issues but outline permission for development. Because I sat down with him in the first instance, I was able to fully understand his legal position, what he can provide me to address the issues, and get the site sold with full understanding of the risk prior to sale. During the marketing, I could call him, discuss the issues and ensure that we adequately addressed them to get the site sold in 28 days, as opposed to a complex progression where all this comes out after searches.

## How could technology improve collaboration between key new build stakeholders?

Massive improvements have been made in the ability to search for opportunities and the digitisation of local plans by authorities makes the finding of sites quite simple. I would suggest the further technological improvements at the searches and legal stage will speed up the process massively on the purchase of both the site, and the retail sales. The issues involved with the planning process will only be improved by better investment by local authorities in their in-house technology to progress and deal with a planning application. More planning officers are needed, and these need to come from outside of local Government. An influx of commercially minded individuals with an unbiased approach to assessing applications will certainly make a large difference.

Technology which enabled Local Authorities to assess the deliverability of sites would be useful, looking at ransom strips, title issues, covenants etc, so that these issues do not crop up further on in the process. Given HMLR's work in digitising titles etc, this should be available but would require inhouse council solicitors to assess the likely impact on the development. If this happened in the first instance before it is reviewed, it could be sent back to the land owner to address before consideration.

## Solving the Problem

Estate Agents need to professionalise, with understanding of policy and regulations in respect of new build properties. Ideally, entry to the profession of estate agency should require a qualification, such as RICS. NAEA Propertymark has made moves in this direction, however the exams are quite simple, consisting of 25 multiple choice questions over 4 exams for the entry level standard and there is no requirement to adhere to these. Setting a certain qualification standard to the industry would raise standards, reduce cowboys and increase the skill set of your average agent. It is important to note that the vast majority of estate agents are conscientious and extremely capable. New legislation and qualifications would not hinder or jeopardise them, quite the contrary – it would allow them to evidence their expertise whilst also securing the professionalism and wider sector confidence.

Local Authorities require better technological improvements, taking a wholesome approach looking at all issues relating to the land including deliverability with title issues, covenants, ransom strips etc. Less adherence to getting affordable numbers on paper, set a contribution per sqm in a similar way to the CIL policy and let developers know what to expect.

Planning consultants and architects should have a more vocal input by suggesting land owners engage a reputable and competent sales/development consultant to ensure any scheme is deliverable and will achieve what they want (usually a decent residual land value).

Small and mid-scale developers need to be given the opportunity to build. The system needs to increase the numbers and competency of this group. SME developers need to surround themselves with a key design team covering all aspects from start to finish in the same way the larger players do with their in-house teams.

Overall, the consumer journey could improve via a review of the sales process, a fresh look at PIQs and a move towards a Scottish or continental system which prevents work done for no outcome (fall throughs).

# Building Together – Solutions for a collaborative New Dawn of New Build

Collaboration, communication efficiency, consistency and innovation are words frequently used when addressing the fundamental issues restricting progress in the new build sector. Whilst many have used these words, few are clear on how to adapt current approaches to ensure these words resonate, become seeds and ultimately germinate into best practice and new cultural approaches. If all stakeholders are to achieve cohesion, harmony and a streamlined new build sector, a number of immediate changes are needed.

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# Gold Medal Case Study

## Birmingham Perry Barr Residential Development, part of Athletes' Village for the 2022 Commonwealth Games

Rebecca Farr – Development Planning Manager, North and West Birmingham at Birmingham City Council

Birmingham City Council

Birmingham's ambitious £0.5bn vision for the regeneration of Perry Barr is being kick-started by a development of more some 1,400 new homes on the former Birmingham City University (BCU) campus.  Excitingly, these homes will form the residential element of the Athletes' Village for the 2022 Commonwealth Games hosted in the city, before being retrofitted for residential use. A mix of tenures and property types will be provided in the legacy scheme, including an 'extra care' development for older people with varying needs.

Birmingham was awarded the Games in December 2017, meaning they had just four years, as opposed to the usual seven years, to plan, build and host the games. With no room for slippage, it is vital that each stage of the development runs smoothly. The development embodies good practice – from site assembly, through planning, communication with stakeholders, and the legacy benefits it will bring.

The development is situated within Perry Barr, which is identified as an area for growth in Birmingham's Development Plan, and on a site already identified for residential development following the relocation of the BCU. Key principles, or 'big moves' were identified early and have guided the design of the scheme. It is also approximately one mile from the Alexander Stadium, which will host the opening and closing ceremonies and athletics competition during the Games, and on a main arterial route, making it an ideal location to provide the Athletes' Village.

To deliver to tight deadlines required significant resource, effort and collaboration, with major hurdles such as planning permission, demolition and remediation, appointment of a contractor, and start on site all smoothly navigated. Just twelve months on from being named Host City, the residential scheme was granted planning consent (a scheme of this size could reasonably be expected to take 2-3 years to get to this stage). A second phase of residential development, some 500 homes which will be delivered after the Games, was granted outline consent in August 2019. At the same time, demolition of former university buildings was underway, and completed in early summer 2019.

Land acquisitions saw the Council working in partnership with Homes England and Department for Education, in both cases agreeing land swaps that facilitated the needs of the agencies. The land swap with Homes England also involved working with the land registry to address an issue with unregistered land. The Council made a compulsory purchase order (CPO) to acquire land needed for wider regeneration – ahead of the Order being confirmed, around 80% of this land had been acquired or was in the legal process.

Birmingham City Council is acting as developer, reducing time spent in procuring a development partner, and has appointed a lead contractor through a public sector procurement framework. The ability to commission a range of specialists through frameworks has minimised time spent on procurement across the project.

Engagement with the local community and other stakeholders early in the process, and on an ongoing basis, has minimised challenges along the way. It has also helped position the scheme as part of a bigger opportunity for the longer-term transformation of Perry Barr.

The eleven days of competition during the Games will be exciting, but it is the opportunity this offers as a catalyst for wider growth – and in attracting funding – that is really important. Birmingham City Council has obviously done its homework on past events prior to making any concrete decisions.  Having liaised with decision makers for Manchester Commonwealth Games 2002, London Olympic Games 2012 and even the Gold Coast Commonwealth Games 2018, the Council was well placed to ensure they took away the key success from each event and applied them to the local circumstances.

It is this legacy vision – which includes the redevelopment of the local station and bus interchange, Sprint bus rapid transit, significant reconfiguration of the highway network, cycle and walking enhancements, and further new residential and commercial development – which Government brought into in awarding £165m of grant funding for the regeneration of Perry Barr.

These wider sustainable transport and placemaking interventions, which also include significant land acquisitions to directly enable further – post-Games – development, are vital in creating the market conditions for a successful scheme. The creation of a distinctive and attractive urban destination will improve the viability of future housing schemes, unlocking a range of other sites in the immediate vicinity. It is envisaged that the Council's interventions will directly enable some 2,200 new homes in the area (including the 1,400 referred above) and help unlock a further 2,900 over the next 20 years.

Whilst Birmingham City Council and the Commonwealth Games may carry more influence than smaller projects, it is clear that all key stakeholders working effectively together has resulted in the efficient creation of the development.

## Planning: Improving Communication and Collaboration Within this Fragmented Section of the New Build Process

There is no immediate or magic solution to improving new build. Funding is a clear issue influencing Governmental policy and changing the main focus of planning departmental priorities. The Resourcing Public Planning report by the Royal Town Planning Institute suggests returning Government levels of subsidy for development management to 2009 levels, which would add £80 million to current investment levels, could alleviate some of the pressure on planning departments, allowing them to fund policy matters whilst also reducing the impetus on driving DM service sales. This could allow planning departments to spend more time on analysing planning applications.

Although planning departments are becoming dependent on CIL and Section 106 agreements to fulfil and finance social housing and infrastructure needs, the developer pot is far from infinite. The continuous tax on house building is putting too big a strain on smaller developers. When available funds essentially come from land value, which are not usually released until sales occur, and infrastructure costs are also paid up front, it becomes difficult to stretch the budget further at the early pre-construction stage. LAs should support this by looking at reducing CIL charges or dropping them entirely.

Consistency is key and lacking within new build stakeholders. LA planning departments' fragmented and individualised way of working promotes delays. There should be a clear pre-application framework in place to ensure that all planning officers create a standardised approach to advice in the early stages of applying for planning permission. Within planning processes, consultation periods should have a clear deadline to ensure both planners and developers can strategise effectively. Planning Department timescales should be regulated with greater authority to ensure deadlines are met and the metaphorical clock is not stopped so frequently. Developers would also appreciate the public sector working with more private sector urgency with holidays, illness and technical issues no longer considered a factor for a delay in the delivery of service.

Transparency, community, engagement and accountability of planning stakeholders requires vast improvement. The Grosvenor report cites accountability as a clear priority for helping to return public confidence to the sector with 74% and 72% calling for private developers and Local Authorities respectively to be held to account. Overall, this could be achieved through greater transparency. 45% require local authorities to publish costs and benefits of large-scale developments with 41% requesting local authorities to speak more openly about the costs and benefits; 45% of respondents were looking for local authorities to publish how tax from a development is spent locally and 38% focused on improving community input into development decisions at an early stage. These recommendations were echoed in the Government's recent 'Building Better, Building Beautiful Commission' interim report which argued that communities should be given an early and more effective voice in the planning process rather than just fighting planning applications. This could increase community buy in and ensure housing is created in areas of greatest housing need. The Government report into the progress of CIL and Section 106 also found a severe failing in monitoring and transparency, with strong evidence suggesting that proceeds of planning obligation policies were not communicated to the public. Ensuring the public understand the clear benefits from new build developments at an early stage could lead to greater communication, acceptance and support which will reduce delays, costs and improve efficiency. The Government has responded to resident apathy by announcing Community Infrastructure Levy transparency by allowing local communities across the country to see how every pound of property developers' cash is spent on new infrastructure. County councils must now publish infrastructure funding statements which should create a more accountable system.

## The Home Buying and Selling Solutions: Improving Market and Consumer Perceptions of New Build Stakeholders

Information is power and communication is key, but overall, consumers lack power and feel vulnerable at a stage in the process they should feel empowered, excited and informed. Research suggests developers and conveyancers are struggling to ensure the buyer feels fully informed before they complete the most daunting purchase of their lives. Leasehold regulations will encourage conveyancers to provide key information and explain the issues clearly to buyers in the future. Similarly, a 15-working day time limit has been imposed on developers, freeholders and managing agents in delivering vital leasehold information to prospective buyers. Along with a maximum fee of £200, it is thought the time constraint will empower consumers and create a more efficient sales process. The same transparency and proliferation of information should also translate into other forms of home ownership. Trust in new build stakeholders and confidence in the system will only improve if communication is clear.

Approaches need to favour the consumer. Currently, the systems are too heavily weighted against the consumer. Their journey is usually blind with information restricted. Reports and current legislation are looking to offer greater consumer transparency, yet the conveyancing process is often completed behind closed doors. Consumerism has changed the way a buyer and seller behave; they expect a level of immediacy and no longer tolerate being overly patient. The adoption of technology is a vital step forward in helping to offer the consumer greater levels of communication. Creating portal systems, enabling the buyer or seller to assess progress, in real time, can appease frustrations and reduce fall throughs. Moving further into the future, embracing holistic data sources that can be accessed by all stakeholders would improve efficiency, communication, consistency and output.

Buyers should not feel pressured and powerless. Research suggests that too many buyers feel pressured into completing the purchase of their new build home without having all the information they need. Systems need to change so that the buyer is offered greater protections. The implementation of a snagging survey prior to completion or a snagging retention fee will highlight developer accountability and ensure snags and defects are fixed quickly. These changes will offer the buyer additional security and start to improve confidence in the new build sector.

All key sector stakeholders should become specialists in new build. The estate agent case study has highlighted the benefits of using multiple estate agents with diverse specialisms in the new build process. For example, a land agent whilst acquiring land and an estate agent at the later stages of the process is important.

Both have invaluable skills and insight that would be lost to the detriment of the new build process. A land manager working at the end of the process could lack an understanding of Help to Buy applications and other pertinent documentation. Failing to understand the nuances of a particular stage will undoubtedly cause undue delays and problems. This philosophy transfers to all areas of the process. A new build conveyancer will be in a better position to inform a consumer and collaborate with other stakeholders if they have an in depth understanding of new build processes.

All stakeholders should work with the consumer in mind. Ultimately, new build stakeholders are working towards a common goal: creating a product for the consumer. Each stakeholder needs to ensure that their part in the process enables the consumer to leave the new build process feeling happy. This means the information offered, advice offered, and final product should be delivered in a timely fashion and of the upmost quality.

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