

National Assembly for Wales

Communities, Equality and Local Government Committee

CELG(4) HB 04

Inquiry into barriers to home building in Wales

Response from : Newydd Housing Association

We write with regards your letter of 13th June seeking views on the potential barriers to home building in Wales.

We are delighted to have been asked to participate in this research and accordingly, using the terms of reference as outlined in your letter, we would confirm our thoughts as follows:

- 1. To establish whether development costs are impeding and constraining the delivery of new homes in Wales**
- 1.1 *As an affordable housing provider, there are many different tiers of design criteria that we are required to meet for new build properties. As well as the mandatory Building Regulations and Code Level 3 applicable to all new build dwellings, affordable homes also have to be compliant on DQR (Design Quality Requirements), WHQS (Welsh Housing Quality Standards) and Lifetime Homes. Although this additional level of design results in consistency in design and standards across the affordable industry, it should also be noted that this comes at an extra over development cost.*
- 1.2 *There are instances where we are mindful of future proofing homes and for example, will include extra ply behind plasterboards in the event that grab rails may be needed at a point in the future or in allowing for reinforced joists in the event that hoists may be required at a point in the future. If hoists or grab rails are implemented at a point in the future, then of course this will result in a cost saving however it could be deemed to be unnecessary to future proof all homes on this basis.*
- 1.3 *With the advent of welfare reform and the much publicised bedroom tax, there will be a greater need for more efficient properties in terms of accommodation. For example, rather than a 3b5p house, perhaps we should instead be looking at building 3b6p houses. Similarly, rather than 2b3p flats, should we be looking at 2b4p flats? These properties will no doubt have a larger footprint and associated build cost but may be necessary in order to meet housing need and the economics of balancing the bedroom tax for families in affordable homes.*
- 1.4 *Many affordable housing schemes are reliant on social housing grant in order to make schemes financially viable. This is especially so for Newydd in the more peripheral Valleys areas where rents are already low. As stated, new affordable housing already has many design standards however*

in this economic climate, it is not financially viable without a substantial amount of social housing grant to deliver schemes that exceed the mandatory Code for Sustainable Homes Level 3. In order to focus on continuing to deliver value for money on new housing schemes, meeting the mandatory Code Level 3 should be deemed sufficient without trying to achieve the more costly requirements of Code Levels 4 or 5.

1.5 The controversial inclusion of sprinklers in all new housing schemes - although these have been a requirement of apartment schemes or the more niche residential uses for extra care or care homes, they could be argued as being an unnecessary cost for traditional homes. There is also the added cost that will be placed on the homeowner to maintain these units as well as increased insurance premiums. This legislation, which will be applicable only in Wales, comes of course at a cost which has been argued by many in the development sector as being unnecessary.

1.6 We have found that even with the best contractor, working with render comes at a cost and where there are flaws in the finish, patching this up results in uneven or unsightly colouration not to mention the maintenance costs over the lifetime of the property. Working with the planning authority to limit the use of render to just key buildings on the street scene would result in cost savings for the estate over the lifetime of a property.

2. To identify specific concerns of small and medium sized construction companies based in Wales

2.1 It would not be appropriate for us to comment on concerns of small and medium sized construction companies. Rather, our input is based on our own views as an affordable housing provider of barriers to delivering new home building in Wales.

3. To identify "quick wins" that can be implemented by the Welsh Government to assist the whole homebuilding industry

3.1 An immediate win would be to relax some of the design criteria imposed on new build affordable homes. For example, on Section 106 opportunities where there is no social housing grant, affordable homes are only required to meet WHQS standards. Given that the footprint of a WHQS home is smaller than a DQR property, this would equate in being able to deliver more affordable homes per acre. Therefore, it should be a consideration for a stand-alone new affordable housing development to meet WHQS only and not DQR requirements.

3.2 There has always seemed to be a disparity between the development sector and Welsh Water with regards approvals and agreeing connections. Whereas it is absolutely right to ensure that capacity exists for the larger development schemes that are planned without compromising on existing use, this approval process seems unduly complicated and protracted in some cases. Improving this process overall

would equate in fewer delays and cost savings to the development sector as a result.

Please do not hesitate to let us know if you require additional information on any matter discussed above.

Elise Coalter
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