



**BARRATT**  
HOMES

Our Ref: 130702

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Ms Christine Chapman AM  
Chair  
Communities Equality & Local Government Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

CELG(4) HB 02

Dear Ms Chapman

Thank you for the opportunity to express our views on the barriers to home building in Wales.

The house building industry has always been considered to be a key economic driver and major contributor to the economic prosperity of the country. However, for this industry to function effectively, it needs a robust and supportive environment to deliver the economic growth that it can generate

However, despite the recognition of its importance as a key economic driver the current framework within which it operates is not focused on supporting and encouraging this sector of the economy and the opportunity to help the industry appears to be being ignored.

BDW (Barratt David Wilson South Wales) have a long and successful history of developing in Wales. As the largest National House builder we have been very proud of our long association and presence within Wales which saw us building our first site in 1978. Since then we have built a total of 16,500 homes and have generated a turnover of £1,600,000,000, with a significant proportion of this being reinvested into the local economy. However, the current economic climate is testing our resilience to the utmost. That said, we are committed to Wales and will do all that we can to work with the National Assembly to ensure that there is an economic environment that allows us to contribute to economic wellbeing of the principality.

We have identified a number of barriers to home building in Wales and urgent attention is required to address these issues if the National Assembly for Wales wants to see the House building Industry as a key economic driver and contributor to the economic vitality of the Region.

The following barriers have been identified.

#### Poor Land Supply

In order for the house building industry to function efficiently it requires a steady and efficient supply of deliverable land. It is vital to have a supply of land that has an implementable Planning Consent free of planning conditions that are unable to be discharged without significant financial penalties or constraints. The current planning system in Wales is encouraging and empowering various third party interests to frustrate delay and make the process of delivery of sites too expensive through imposed financial burdens.

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In West Swansea, Welsh Water and Natural Resources for Wales (NRW) have successfully delayed the deliverability of a number of allocated Residential sites due to off-site technical issues (drainage capacity issues). Instead of planning, financing and delivering the solutions themselves they have ensured that the responsibility for all of this lies with the house building industry which does not have the resource, power or legal responsibility to resolve these constraints. A quick win would be for the National Assembly for Wales to fund these off site drainage works to enable house building to commence.

In addition to the above barrier to delivering sufficient land supply the inefficient decision making of the County Council's and their Planning Committees is also frustrating the deliverability of Land. Within the last 12 months, within Torfaen County Borough Council, we have had two major planning Applications refused, against officer recommendations. This has resulted in us progressing Planning Appeals against the council's decision with the potential also to claim costs against the council if the Planning Inspectorate decide to allow the appeal. This has caused considerable disruption to our business plan, has delayed the possible deliverability of Affordable Housing, which forms a significant part of both schemes refused, and also is likely to cost the authority significant fees in defending a decision that they have made against their own officers recommendation.

Professionally qualified Planning Officers should be empowered to make more decisions and Councillors who overturn an officer's recommendation and then expose their authority to extra burden of costs should be penalised for their actions.

#### Lack of financial assistance for purchasers in Wales

Much has been made in the press recently regarding the signs of improvement in the housing market. Of particular relevance has been the success of the Government funded 'Help to Buy' scheme which has provided assistance for first time buyers in England. Increased market activity and mortgage availability have been widely reported in the National Press and this in turn has filtered into the press in Wales. In truth, what has been reported in Wales is the success that these schemes have had in England, as no such National Assembly funded schemes are available in Wales.

This misinformation has not helped the House building industry in Wales as it has become a complacent view that we also benefit from these schemes. If the National Assembly want to embrace such news in the press then they should introduce similar schemes in Wales. Our English sister companies can gain 25 to 30% additional sales through these schemes.

The impact of the lack of assistance in Wales is exposed further when national statistics are examined. The recent House Price Index produced by LSL Property Services/ Acadametrics in April 2013 has revealed that "Unlike the rest of Britain the Welsh housing market remains in slow reverse. Wales has seen the biggest annual average house price fall of any region" where in England the majority are increasing.

Not only does this have serious consequences regarding the confidence in the housing market but also it is seen as a major barrier to Banks and Building Societies lending as they are more likely to lend in areas which they believe will be better protected from both house price falls and job losses.

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Investing in a secure and confident housing market which is a key economic driver has got to be a priority if Wales has any chance of attracting jobs and inward investment.

It is vital that the Assembly for Wales acts quickly to introduce some financial packages aimed at encouraging first time buyers into the private housing market. Encouraging the Banks and Building Societies to underwrite and 'buy in' to these schemes is also essential in order that there is confidence in any measures introduced.

Increased build costs

A further barrier to building homes in Wales is the increase in build costs as a result of changes to the Building Regulations and increases due to the Code for Sustainable Homes requirements. Whilst the pursuing of improved energy efficiency and improved safety in our homes is applauded the pressure on costs at a time when the market is so fragile compounded by the fact that we have no financial assistance in Wales is a further deterrent to home building in Wales. A temporary suspension of these requirements could be considered as a quick and easy way to assist in delivering more homes in Wales. It is evident that the National Assembly for Wales has made a firm commitment to the introduction of Sprinklers into new house building, that will bring financial burden that will ultimately increase costs of new homes.

I hope that the above clearly sets out the immediate concerns that BDW South Wales has and the barriers that these create in delivering housing and growth in a sector of the economy that is in desperate need of assistance.

Yours sincerely



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