

# BUILDING

A BETTER FUTURE

## Custom and Self-Build Housing Topic Paper

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Any queries about the report should be sent to:

Email [policy.design@havant.gov.uk](mailto:policy.design@havant.gov.uk)

Telephone 023 9244 6539

Address: Havant Borough Council  
Public Service Plaza  
Civic Centre Way  
Havant  
PO9 2AX

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# 1. Introduction

- 1.1 This topic paper has been prepared to support the Draft Building a Better Future Plan. It sets out the Council's assessment of the need for custom and self-build housing and the proposed approach to meeting that need. This is within the context the Council will not be able to meet the objectively assessed housing need using the Government's standard method.
- 1.2 The requirement for Local Planning Authorities to plan for custom and self-build housing was introduced through the Self- Build and Custom Housebuilding Act 2015. The practice around the provision of land for custom and self-build housing has developed since then and there are refinements to the 2015 Act which have been introduced through the Levelling Up and Regeneration Act 2023.

## 2. National Planning Policy and Legislation

- 2.1 The National Planning Policy Framework (NPPF) requires that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. It states that these groups should include people who wish to commission or build their own homes.
- 2.2 The Self and Custom Housebuilding Act 2015 introduced the requirement for Local Planning Authorities to keep a register of individuals or associations of individuals seeking to acquire a serviced plot to build, or commission the building of, their own house in their area. Local Planning Authorities are also subject to duties to have regard to this and to give enough suitable development permissions to meet the identified demand. The Act has recently been amended through the Levelling Up and Regeneration Act 2023 to ensure that only land permissioned explicitly for self-build and custom housebuilding will qualify towards the authority's statutory duty to meet demand for this type of development in the authority's area. This amendment came into force on 31 January 2024.
- 2.3 Whilst the requirement to provide enough permissions to meet demand is Government policy, this does not take account of the potential for individuals on the Custom and Self-Build Register to have sufficient finance to enable them to purchase land and materials and carry out or commission building work. There are significant numbers of individuals on the register who do not live in the borough, and they may also be on registers in other local authority areas and could potentially have their needs met outside of the borough. In compiling the register, the Council has not introduced a fee to join the register or required meeting financial viability or local connection tests and the register is therefore likely to be a significant over-estimate of the actual demand.

## 3. Custom and Self-Build Housing Need

- 3.1 The following analysis sets out the total number of completions Borough wide, alongside the number of windfall completions (excluding allocations). This is presented alongside the total number of past completions and windfall within the study area to provide a realistic windfall projection for the Building a Better Future Plan period.

**Table 1 – Custom and Self Build Housing Register**

Base Period	Annual individuals added to register during the base period	Total of individuals on register at the end of the base period
9 Dec 2015 (start of register) – 30 October 2016	11	11
31 October 2016 – 30 October 2017	22	33
31 October 2017 – 30 October 2018	14	47
31 October 2018 – 30 October 2019	15	62
31 October 2019 – 30 October 2020	20	82
31 October 2020 – 30 October 2021	16	98
31 October 2021 – 30 October 2022	5	103
31 October 2022 – 30 October 2023	6	109
31 October 2023 – 30 October 2024	5	114
<b>AVERAGE</b>	<b>13.6</b>	

- 3.2 On average there are approximately 14 new individuals added to the register each year, though there has been a reduction in the number of individuals added to the register during the last three base periods. There have been no entries for groups or associations of individuals.
- 3.3 Whilst individuals are currently required to provide their address to be entered onto the Council's self-build register<sup>1</sup>, 8 of the 114 individuals were entered onto the self and custom build register with incomplete information during the first two base periods.
- 3.4 Of the 114 individuals on the Council's self and custom-build register, 48 (45%) are listed with unique postal addresses in Havant Borough. The remaining individuals are listed with duplicate addresses, or are listed with addresses located outside of Havant Borough. There are no

<sup>1</sup> <https://www.havant.gov.uk/planning-services/planning-policy/self-build-and-custom-housebuilding>

restrictions on how many self-build registers an individual can be on, as such there is the potential for there to be 'double counting' of some demand across the wider housing market area.

- 3.5 Applicants may subsequently decide they no longer wish to be included on the register and can request removal at any time. However, the Council has no way of ascertaining whether their need has subsequently been met.
- 3.6 Whilst the CIL exemptions for custom and self-build housing are not necessarily granted to the people on the register, they are a good indication of the supply of custom and self-build housing that is being provided through the planning system.

**Table 2 – Custom and Self Build Housing CIL exemptions**

Monitoring Year	Total of planning permissions issued for serviced plots for custom and self-build housing	Annual increase in planning permissions issued for serviced plots for custom and self-build housing
31 October 2015 – 30 October 2016	35	35
31 October 2016 – 30 October 2017	58	23
31 October 2017 – 30 October 2018	64	6
31 October 2018 – 30 October 2019	77	13
31 October 2019 – 30 October 2020	89	12
31 October 2020 – 30 October 2021	103	14
31 October 2021 – 30 October 2022	115	12
31 October 2022 – 30 October 2023	122	7
31 October 2023 – 30 October 2024	126	4
<b>AVERAGE</b>	<b>15.25</b>	

- 3.7 It can be seen that there are on average approximately 15 custom and self-build exemptions granted each year. This slightly exceeds the average number of entries added to the self-build register year on year. However, it is worth noting that all of this supply is effectively windfall as the Council currently has no specific allocations which include self-build provision.
- 3.8 With the amendment to the Self and Custom Housebuilding Act 2015, it is noted that only land explicitly for self-build and custom housebuilding will qualify towards the authority's statutory duty. It is therefore relevant for the Building a Better Future Local Plan to set out how the need for custom and self-build housing will be addressed going forwards.

## 4. Building a Better Future Local Plan Policy Approach

- 4.1 The policy approach to address the need for custom and self-build housing in the Building a Better Future Local Plan will support appropriate development through:
- Expressing support in principle for development within settlement boundaries; and
  - Setting out an expectation for sites of 200 dwellings or more (gross), to provide 5% of the overall dwellings as self and custom build plots to address local self or custom build need.
- 4.2 A percentage policy requiring a proportion of larger housing developments to be reserved for self and custom build homes is considered to be an effective way of generating a significant number of plots for self and custom build properties where there is an established demand. It ensures that self-build will not be reliant entirely on windfall contribution (development not anticipated in the preparation of the Local Plan).
- 4.3 Larger sites can enable the provision of serviced plots available for purchase for custom and self-build development as part of the mix of different housing types. Where this is a specific requirement for new residential development it will be secured through a planning obligation. This will require that serviced plots are initially marketed to individuals or associations on the Council's self-build register for a minimum of three months. Should there be no viable interest in acquiring the available plots, they can then be marketed to other individuals or associations not on the register. If after twelve months there is no demand for the serviced plots they can be built out as conventional housing by the developer.





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