

The Right to Build Scheme

The National Custom & Self Build Association (NaCSBA) campaigns for custom and self-build homes in the UK. NaCSBA was set up in 2008 to promote self-build and custom build as a form of housing delivery. NaCSBA connects developers, designers, finance providers, insurance providers, manufacturers, local authorities to promote the best practice in custom and self-build. According to NaCSBA, in most other countries, between a third to a half of all new homes are organised or built by people themselves, yet in the UK less than 10% are currently delivered this way. If the number of custom and self-builds increase in the UK, there will be more opportunities for smaller builders and contractors and larger contribution to local economies.

Right to Build is a new scheme designed to support aspiring custom and self-builders who want to build their homes and combat the housing crisis in the UK. From April 2016 local councils need to maintain the register of people who wish to build their new home with the responsibility to

identify and offer suitable sites. For anyone who is seeking to acquire land to build, it is recommended to register with the relevant local authority. The Self-build and Custom Housebuilding Act 2015 is the interim legislation put in place in advance of the Right to Build legislation, and it places a duty on local councils to understand what is the demand for new build housing in their areas and to make provisions for self-build or custom build in their plans. Registration with local authority does not guarantee that a suitable plot will be identified or become available. The Right to Build scheme is designed to give more powers to builders, as previously councils had been reluctant to allow self-build projects in their jurisdictions.

The self builds housing means that the private person is directly involved in organising the design and construction of their home. *Custom build* means working with a specialist developer to deliver the new home. Custom and self build homes are often more sustainable, cheaper and more affordable than standard market housing.

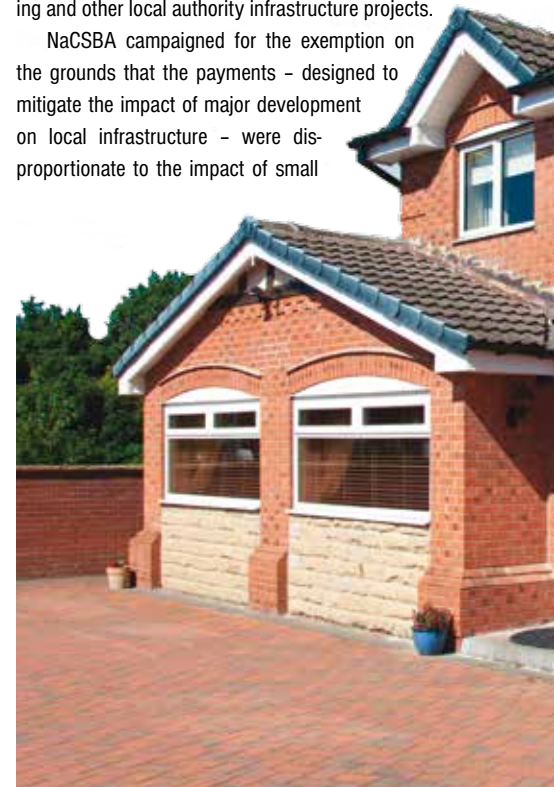
The Right to Build registration act asks questions to identify a plot for a new build adequately. First questions are whether an applicant is applying as an individual or as part of a group. Those applying as a group will get the chance to take on what is known as a co-housing project or community self build. If an applicant applies as an individual, he will be asked which areas he would like to build in. A new home build on the plot must be the sole residence (plot can't be used for a buy-to-let property, etc.) and an applicant must be a British Citizen, and EEA or Switzerland national. The application asks what kind of plot is required and what kind of home the applicant would like to build.

s106 Exemption for Small Site

In May 2016, the Court of Appeal Civil Division has reversed High Court decision from 2015 to quash the exemption from section 106 planning obligation payments for small sites.

The exemption, first introduced by Minister for Housing and Planning, Brandon Lewis MP, by Ministerial Statement on November 28th 2014, freed self builders from the unpopular s106 planning obligation payments, which required them to divert £10,000s from their budget for a new home, into a payment towards roads, schools, affordable housing and other local authority infrastructure projects.

NaCSBA campaigned for the exemption on the grounds that the payments – designed to mitigate the impact of major development on local infrastructure – were disproportionate to the impact of small



velopments, especially single self build homes and failed to recognise the exceptional costs of developing a small site. The exemption, applied to sites in England of 10 new homes or less (five in designated rural areas), was welcomed by self builders and small house builders alike. Some local authorities, however, disagreed with the exemption and on July 31st 2015, the judge in a High Court case brought by two neighbouring authorities, Reading and West Berkshire, found the exemption unlawful, and it was quashed just eight months after its introduction leaving many self builders in indefinite limbo.

The High Court Judge's ruling clearly contradicted the intentions of the Government and its stated commitment to boost housebuilding, help smaller local house builders and double the size of the self build sector to 20,000 homes a year by 2020. NaCSBA immediately launched a campaign for the reintroduction

of the exemption and in August 2016, the DCLG was granted leave to appeal. In May 11th 2016, the Court of Appeal reversed with immediate effect the High Court's decision to quash the exemption.

"NaCSBA welcomes the Court of Appeal ruling," says Chair, Michael Holmes. "This exemption, together with the existing exemption from the Community Infrastructure Levy (CIL), brings us one step closer to NaCSBA's stated aim to make a high quality, sustainable, affordable individual home an option for the many and not just the few. "Despite this victory for those who want to build their own home, it is still possible that the original appellants may seek leave to appeal to the Supreme Court."

For more information visit www.nacsba.org.uk

(Source: NaCSBA)



VAT Rebate for DIY Housebuilders

VAT for most work on houses and flats by builders and similar trades like plumbers, plasterers and carpenters is charged at the standard rate of 20% - but there are some exceptions. Self-builders can claim back VAT paid on building materials used to construct their new home. VAT rebate is available for single dwellings and homes that comprises more than one building. You can apply for a VAT refund on building materials and services if you're:

- building a new home
- converting a property into a home
- building a non-profit communal residence - eg a hospice
- building a property for a charity

Zero VAT rate can be applied if:

- The new development meets the conditions of a 'building designed as a dwelling'.
- Building must be constructed or converted under a single project and under a single consent.
- Buildings cannot be occupied until all the stages are complete.

Moreover, the building work and materials have to meet certain conditions and the application for VAT refund must be submitted to HM Revenue and Customs (HMRC) within 3 months of completing the work.

For conversions comprising more than one building, the reduced VAT rate of 5% applies. The reduced rate of 5% can be applied for some types of work including:

- installing energy saving products and certain work for people over 60
- converting a building into a house or flats or from one residential use to another
- renovating an empty house or flat
- home improvements to a domestic property on the Isle of Man

For more information visit HMRC website.

(Source: HMRC)