

National Assembly for Wales

Communities, Equality and Local Government Committee

CELG(4) HB 12

Inquiry into barriers to home building in Wales

Response from : Llanmoor Development Company Limited

Many thanks for your letter dated 13<sup>th</sup> June 2013 inviting us to submit our views on the above subject.

Prior to our detailed responses to the Terms of Reference outlined in the letter, we would like to explain why we consider we are qualified to make any comments.

Llanmoor Development Co. Limited was founded in February 1966, as a speculative house building company, focused mainly within the South East Wales area. During the forty-seven years of trading, the company has built and sold several thousand new homes throughout the Mid and Southern Valleys and the Southern coastal belt.

We are active members of the HBF and CBI and through these organisations have continued to lobby Welsh Government and Local Authorities emphasising the problems and issues affecting our industry.

We note that you have requested that all responses and submissions are limited to five sides of A4, and we would therefore summarise our concerns under the various headings as follows: -

1. 'To establish whether development costs are impeding and constraining the delivery of new homes in Wales'

The imposition of the requirement to build new domestic dwellings to Code 3+ via the planning system was initially a concern to us particularly as this was introduced as a time when house prices were falling at a considerable pace. Through our general improved efficiencies across the business we hope that the additional costs have now been mitigated to the best extent. However, our major concerns now focus around the proposed changes to Part L of the Building Regulations, and the introduction of the compulsory fitting of fire sprinklers.

With house prices in most areas of South Wales either static or in fact still falling, it is difficult to see how the introduction of these two costly measures can be afforded at this time.

One of the consequences of the additional costs referred to is to reduce the viability of many housing sites that do not happen to be in 'prime' desirable residential areas. If land prices are suppressed by the imposition of CIL, sprinklers and higher Building Regulations, land owners will not bring sites

forward, and clearly neither private or social housing targets contained within adopted and progressing LDP's will be delivered.

With reference to the introduction of Community Infrastructure Levy (CIL), whilst we welcome a system that helps make identifying the costs of securing a Planning Permission more certain and transparent, it is vitally important that the Tariff is set at an affordable and viable level. With the CIL regulations not allowing the Tariff to be viability tested on a site by site basis, a Tariff which is set at too high a level at the outset will stymie growth and delivery of housing (private and social/affordable) within Local Authority boundaries.

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

We are not certain that there are any particular issues in Wales that will affect small and medium sized companies more or less than large companies.

One of our major concerns is the fact that we consider that the proposals in relation to Part L and sprinklers in Wales, are not those being proposed in England, and as such we worry that this will make Wales uncompetitive. Having spoken with a number of our competitors, companies based in England, they are very concerned that if development in Wales becomes unviable they may close their Welsh operations and concentrate their efforts in a less costly environment in England.

2. Another concern has to relate to the delays being seen in the bringing forward of adopted Local Development Plans (LDP). A vitally important part of our future business planning is the ability to rely on a settled, transparent plan led system, and it is hugely disappointing to have a situation where two of the most important places in Wales (Cardiff and Vale of Glamorgan), continue to be delayed causing considerable uncertainty.

A further major disadvantage affecting Wales is the lack of a 'New Buy' or 'Help to Buy' scheme. It has been acknowledged that this assisted scheme has created a large number of sales in England and continues to do so.

Whilst we acknowledge that the proposed 'New Buy Cymru' scheme which was due to be introduced in June 2013, has now been somewhat superseded by events, it is massively important that Welsh Government introduces Help to Buy, particularly the Shared Equity part of the scheme, as soon as is possible.

3. 'To identify "Quick Wins" that can be implemented by Welsh Government to assist the whole housebuilding industry'

- A. Delay the introduction of improvements to Part L Building Regulations to align with those proposed in England.

- B. Review the need to introduce the compulsory installation of fire sprinklers – possibly look at limiting its introduction to certain types of domestic accommodation excluding single residential dwellings.
- C. Ensure that Local Authorities set CIL Tariffs at viable levels.
- D. Introduce ‘Help to Buy’ scheme as a matter of urgency.
- E. Continue to apply pressure on Local Authorities to complete and deliver LDP’s at the earliest opportunity.
- F. Continue to review the SDLT Regulations as they affect Wales, and deliver a fairer more balanced charge as soon as possible.
- G. Encourage companies to come to Wales to deliver new homes, and ensure that emphasis is not focussed only on delivery of affordable housing targets.

Llanmoor Development Co. Ltd.

**S. GREY**  
Director