



PERSIMMON HOMES WEST WALES

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Committee Clerk
Communities, Equality and Local Government Committee
National assembly for Wales
Cardiff Bay
CF99 1NA

Dear Sirs

INQUIRY INTO BARRIERS TO HOME BUILDING IN WALES

I refer to your letter dated 13 June 2013 requesting responses to the Inquiry into barriers to house building in Wales. I welcome the Inquiry.

You have defined the terms of reference as follows:-

- To establish whether development costs are impeding and constraining the delivery of new homes in Wales;
- To identify specific concerns of small and medium sized construction companies based in Wales; and
- To identify "quick-wins" that can be implemented by the Welsh Government to assist the whole homebuilding industry.

The term "development costs" is relatively broad, I have assumed that you are questioning what investment is required to allow us to build and sell new homes. Development costs are a significant impediment and constraint to the delivery of new homes in Wales. For example:

- The general shortage of developable land and the continuing delays by local authorities to publish Local Development Plans result in a shortage of residential land. A shortage of any commodity will result in an increase in costs. An increase in land value will increase house prices and directly affect purchasers' affordability and the market place.
- Will the Inquiry be advised of the information that is required to support any development planning application? The volume and cost of information required to support planning applications has increased significantly over the last decade. Rather than list every possible document required to support an application I would be grateful to receive confirmation that the Inquiry will consider the comprehensive, extensive and expensive planning application process.
- Land for residential development is, where published, dictated by local authorities in their Local Development Plans (LDP). It is an indication by the Council where they envisage that new homes are built. The LDP is a document approved by the Council and published. It is effectively an invitation by the Council to developers to build houses. Planning applications

submitted on land identified for residential development within the LDP, submitted to Planning Committee with Planning Officers recommendation for approval, should carry a presumption for approval. The planning committee stage should not be an opportunity for Councillors to reconsider the Council's LDP. Will the Inquiry consider the number of planning applications refused on allocated land and the subsequent costs of planning appeals, the costs which inevitably will be borne by the purchasers and council tax payer?

- The publication of a Council's Local Development Plan (LDP) requires extensive and thorough investigation into the deliverability of houses on the allocated land. Where this extensive and expensive investigation process has been undertaken, there should not be a requirement to repeat the investigations to support the planning application.
- A greater understanding and transparency is required on the Section 106 burden of new developments. Section 106 contributions flow directly through to the purchaser. Subsidised affordable housing is subsidised by the purchasers of private housing. This subsidy is affecting the affordability of open market housing.
- The focus on Welsh Government to develop specific Welsh Building Regulations over and above those in England is a financial burden for Welsh house building companies and Welsh house buyers. It costs more to build and buy a house in Wales than in England. We have a lower income per head in Wales compared to England. This is a clear impediment.
- Adopted Local Development Plans should be a catalyst for Councils, Welsh Water, statutory undertakes and other stakeholders to coordinate their focus on the inevitable construction of new houses. Residential development should not be a surprise and require expensive and time consuming modelling exercises. The planning presumption should be that the land is identified and the necessary infrastructure required to support the development in place or programmed for delivery to support the development. The current scenario on the majority of developments is "developer pays". Developer pays translates into more expensive housing.

Your second point requests feedback from small and medium sized construction companies. Why have you specifically chosen not to invite comments from larger companies? Why are our comments any less valuable?

Thirdly, you request suggestions for "quick-wins".

- Welsh Government and local Authorities should publicly and whole heartedly accept that the housing development sector is hugely important on many facets in Wales. Housing represents employment for an estimated 25,000 people, approximately £700M in spending and 2.5% of Wales GDP.
- Policy makers should have a greater understanding of the benefits of residential development on employment, environmental and infrastructure improvement, community charge income, improved housing stock and inward investment. A greater understanding of the community and economic benefits of new homes surely must create an urgency to deliver more new homes?
- A realisation of the wider benefits should result in support and incentives to the sector to stimulate these wider benefits.
- Private housing to be given equal attention to affordable housing. Additional private housing will reduce the burden on affordable housing.
- Mirror English standards and realise cost savings from standardisation.

- Realise that Persimmon Homes office in Penllergaer, Swansea is effectively a franchise of Persimmon Homes. We employ local people, local contractors and house local people.

I trust my comments are beneficial. Should the Inquiry wish to discuss or explore any of the comments I would be pleased to present to the Inquiry.

Yours faithfully



HUW LLEWELLYN
Managing Director