

LATEST NEWS

Our monthly look at the latest news and views for the selfbuilder...

Concern over house build warranties

A change in the security requirements demanded by companies offering warranties on new builds is affecting anyone who is building, renovating, converting or extending residential property.

The warning comes from Brian Kilroy, business development manager at BLP Insurance which provides cover to the construction industry.

"Every day for the last two months I have taken a phone call from an SPV, developer or builder whose project is in jeopardy because their application for a new homes warranty has just been turned down or the company they have approached has raised their security requirement by up to 500 per cent," he said.

"As most new build requires a new homes warranty or guarantee, this sudden hike in registration requirements is taking its toll on builders."

Mr Kilroy said underwriters were raising premiums to cover the risk of builders or their suppliers going bankrupt during the build or during their liability period – the first two years after a sale.

"Because the builders only find out that their deposits will be exponentially higher than they have budgeted once they are committed or already on site, they are left with a large bill."

"BLP provides insurance rather than warranty cover so we do not require registration fees or loss of deposit cover," he said.

SHAPPS CALLS FOR SELF BUILD TO BE MADE EASIER

Frustrated selfbuilders unable to find a building plot or secure finance have been offered hope by housing minister Grant Shapps who has pledged to make self build more accessible to ordinary people and not just the privileged few.

Selfbuilders account for one-fifth of Britain's new homes each year, but many would-be selfbuilders have been thwarted by barriers and red tape.

The UK has one of the lowest proportions of self-built homes in Europe.

"I want to break down the barriers that many aspiring selfbuilders often come up against," Mr Shapps said. These include lack of plots, and securing finance for a self build from high street lenders.

Mr Shapps has invited the National Self Build Association to work with the coalition to develop an action plan to make it easier for people to build their own homes, either individually or as part of a community scheme.

He has asked the association to help the government address three main issues:

- Availability of land – including making public sector land available for house building;

- Availability of finance – working with lenders to ensure self-building communities can get the finance they need; and

- Availability of expert support – how self-builders can support communities looking to build the homes they need, and how those new to self-building can be supported.

Mr Shapps said the NaSBA action plan would look at how more people could be helped to make the most of the opportunities to build their own homes.

The self build sector is already important to growth and housing in the UK, with between 17,000 and 20,000 projects completed each year.

NaSBA chairman Ted Stevens has welcomed Mr Shapp's plans.

"We believe there are hundreds of thousands of people in the UK that



are keen to build their own, very affordable homes, so anything the government can do to help make this happen has to be applauded," he said.

"By encouraging more self build people will get the homes they really want, very cost effectively. For example, it's perfectly possible to build a three bedroom home for around £150,000."

"A boost to the self build sector will also create job opportunities in the construction industry and the wider construction materials sector. And most self builders are very committed to environmental and community issues too, so more self build should lead to greener homes and more cohesive communities," said Mr Stevens.

Comment see page 29

UNIQUE SELF BUILD OPPORTUNITIES ON TEESIDE

Selfbuilders are being offered the chance to buy one of 19 plots on a development site on Teeside. Developer Charles Church is releasing the separate plots at its Riverside View development in Ingleby Barwick.

Buyers can build their home to their own designs, using their own builders. The only proviso is that work must begin within six months of the sale.

Prices for plots, which average 450m², start at £150,000.

Originally a 55 plot site, Riverside View had record sales during the first phase and 11 of the new plots are under negotiation for reservation.

A unique self build development, Riverside View allows purchasers to



create their own home from scratch. www.charleschurch.com

One of the completed new self builds on Riverside View.

RECORD NUMBER OF HOUSE BUILDS FOR HANSE HAUS

German house manufacturer Hanse Haus have announced their busiest year in their 81-year history with 407 houses built in 2010, up 24 per cent on the previous year.

Their UK share doubled in 2010, making it the manufacturer's second market to Germany.

Due to the increased demand, the factory at the company's headquarters in Bavaria, where all manufacturing takes place, made the jump from a five to a six day working week.

"This year, the factory will be working once again to full capacity with 13 contracts already secured for 2011 and a fortnightly delivery scheduled for the UK", says head of operations in the UK, Giles Hirst.

Hanse Haus offers UK clients three customised service packages: Starter, System and Turnkey.

A Starter package provides a water and weatherproof house for hands-on selfbuilders, while a System house is equipped and installed by Hanse Haus with the opportunity for selfbuilders to have a limited DIY involvement. A Turnkey house includes everything from electrics and plumbing to decoration, ready for you to move in.

With efficient insulation and a shell that is virtually airtight, Hanse Haus homes achieve a space-heating requirement ranging from Passivehaus standards at 15KW/M² to the standard Hanse Haus home at 60KW/M².

Hanse Haus also offer a variety of energy saving technologies and utilities, from whole house ventilation to heat pumps and solar energy, as well as rainwater harvesting systems.

Last year Hanse Haus launched its certified Passive House which achieves heating requirement of only 15 kWh/m².

CONFUSION OVER HOME SURVEYS

More than half of the UK's homebuyers wrongly think they have had a survey done on their home, says Homebuyer Online. Fifty-three per cent of buyers are under the impression that a mortgage valuation, carried out by a lender, is a Homebuyer Report, which will identify potential problems.

"This is simply not the case," says Homebuyer Online's MD Hugh Greenhouse. "A mortgage valuation simply looks at the value of the property and it's for the lender, not the buyer. It is not designed to show any potential problems. We estimate that around 500 properties a day in the UK are sold without a Homebuyer Report, which is leaving homebuyers vulnerable to devastating discoveries of issues which could jeopardise the value and the habitability of their home."



EXTRA BEDROOM ADDS £15,000

Adding an extra bedroom can add almost £15,000 to the value of an average home, according to leading estate agents Move with Us. The company has launched a new online tool that can help homeowners work out how best to add value to their properties through home improvements. The new free service enables homeowners to highlight improvements, which have been completed so that these can be factored into the estimate, proving a more accurate reflection of the house price. Based on the average house price of £165,000, adding an extra bedroom could increase the value of the average property by just over £14,500. Less expensive options include adding a central heating system, which could increase the value of a property by more than five per cent.

Most valuable additions to a property based on the average price of £165,000.

Extra Bedroom	8.8%	£14,572
Loft conversion	7.1%	£11,757
Extra bathroom	6.1%	£10,101
New kitchen	5.8%	£9,605
Central heating	5.4%	£8,942

The online estimate will also show local house prices and will provide examples of similar properties that are on the market and are sold subject to contract. Robin King, Move with Us director said: "Over recent years a number of people have chosen to 'improve' rather than 'move' and in doing so have increased the value of their homes but do not know to what extent. Using this new online tool they will be able to get a clear idea of the benefit of their efforts and gain an indication of their property's current value."