



The need for more homes and the implications

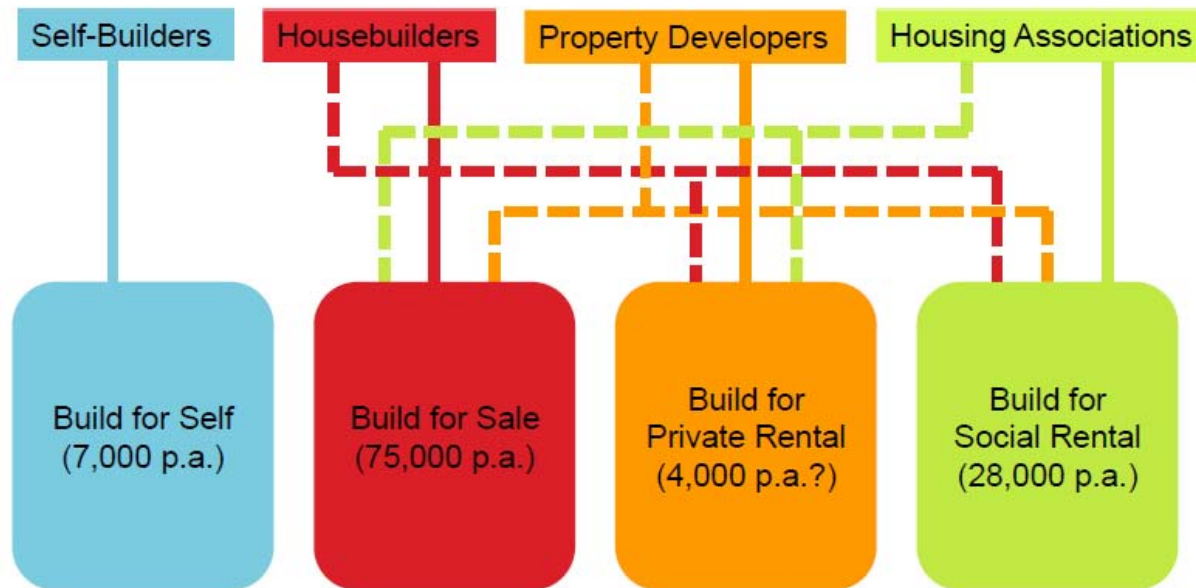
12 November 2013

Nick Whitehouse MBE, Buildoffsite

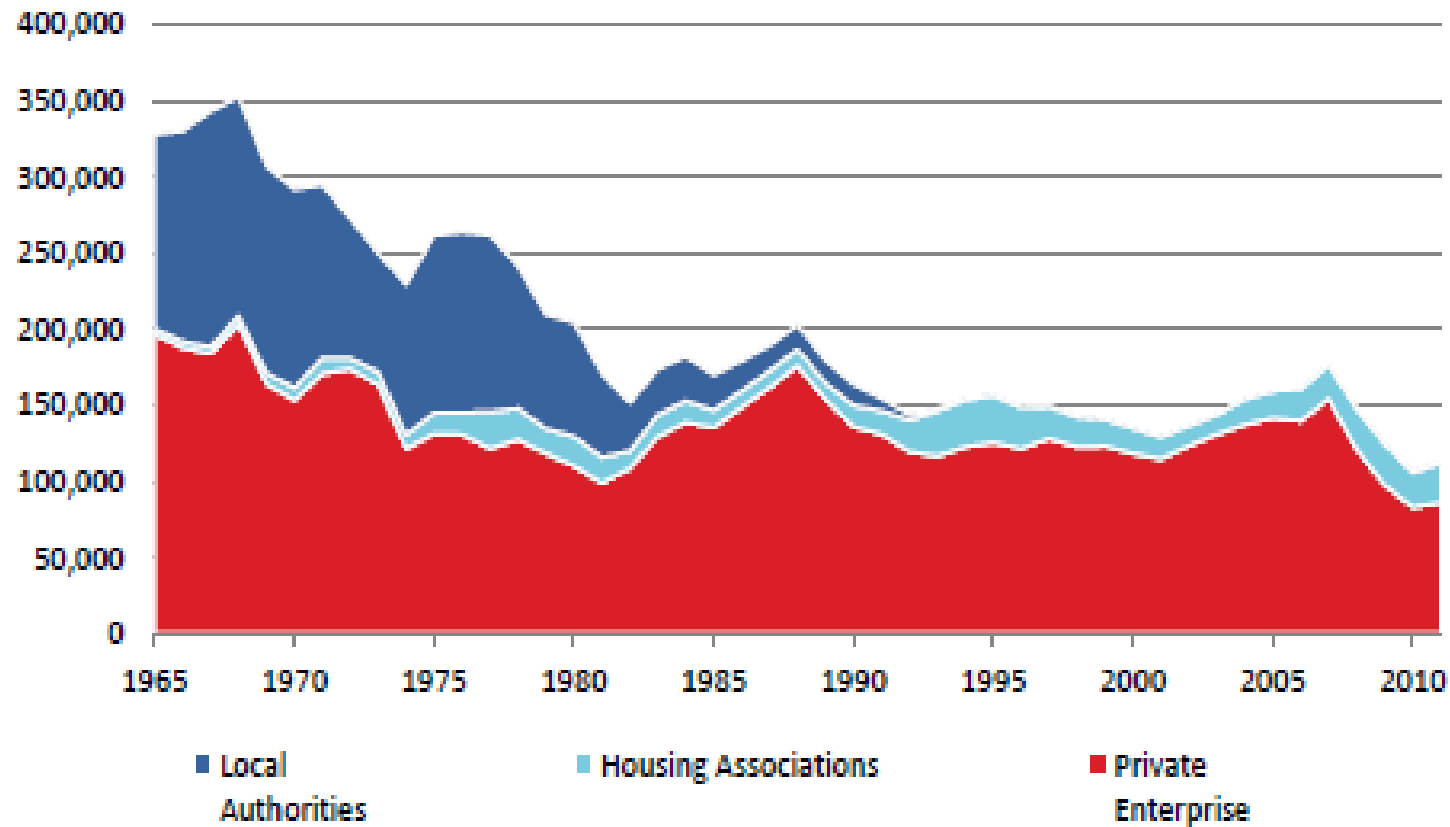


Offsite housing review





Permanent dwellings completed by tenure (England)

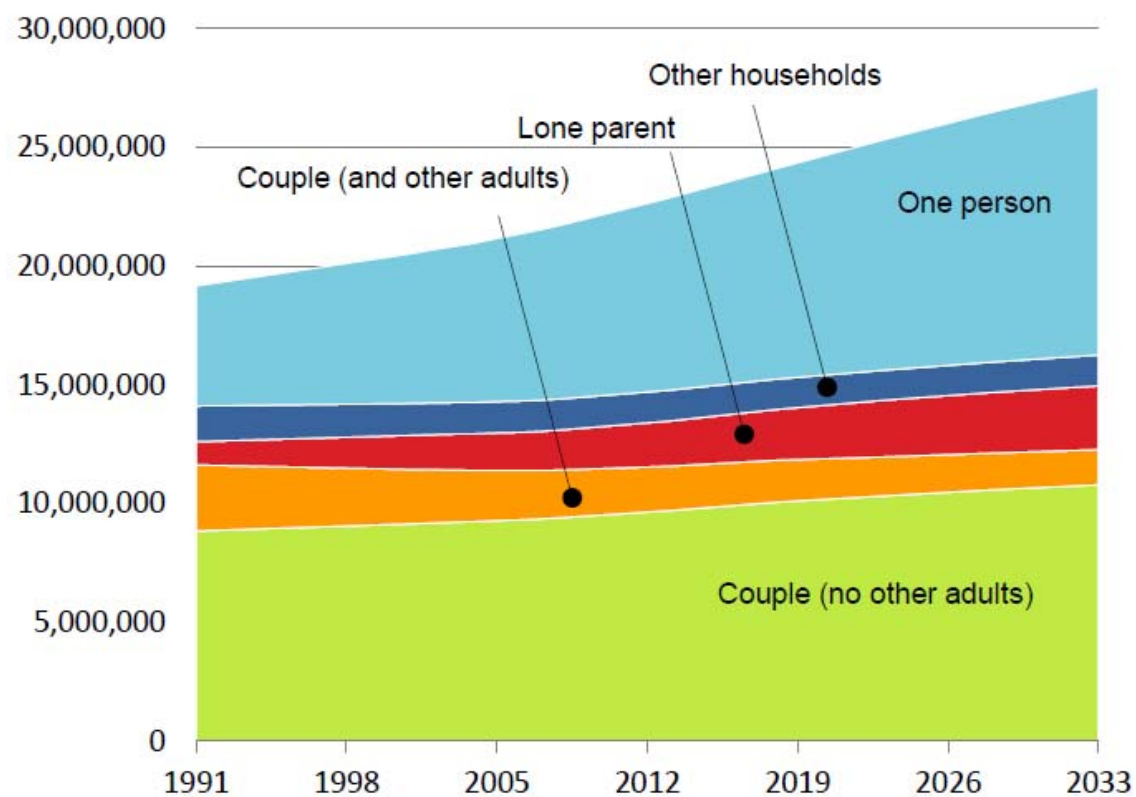


Source: DCLG, 2012



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Projected number of households by household type (England)

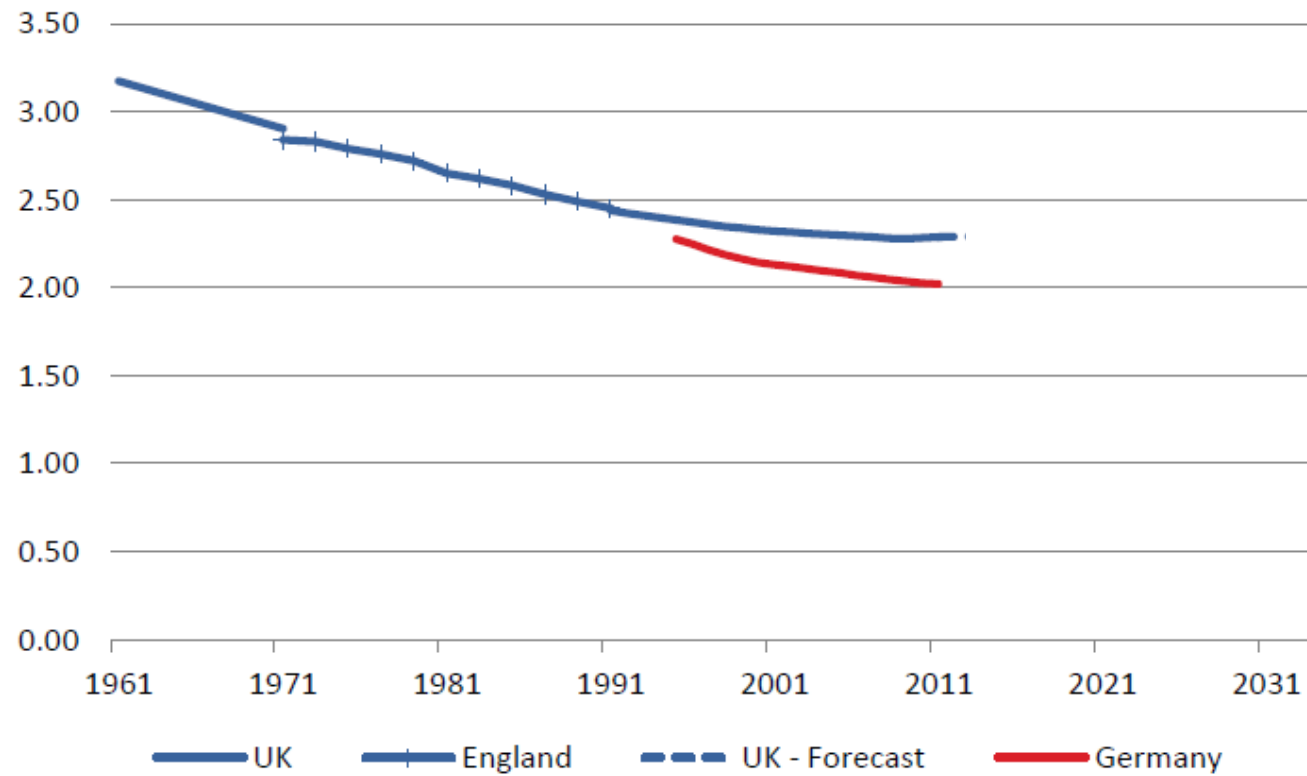


Source: DCLG, 2010



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People per Dwelling



Source: DCLG, ONS, Statistisches Bundesamt Deutschland



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Forecasting housing need in England

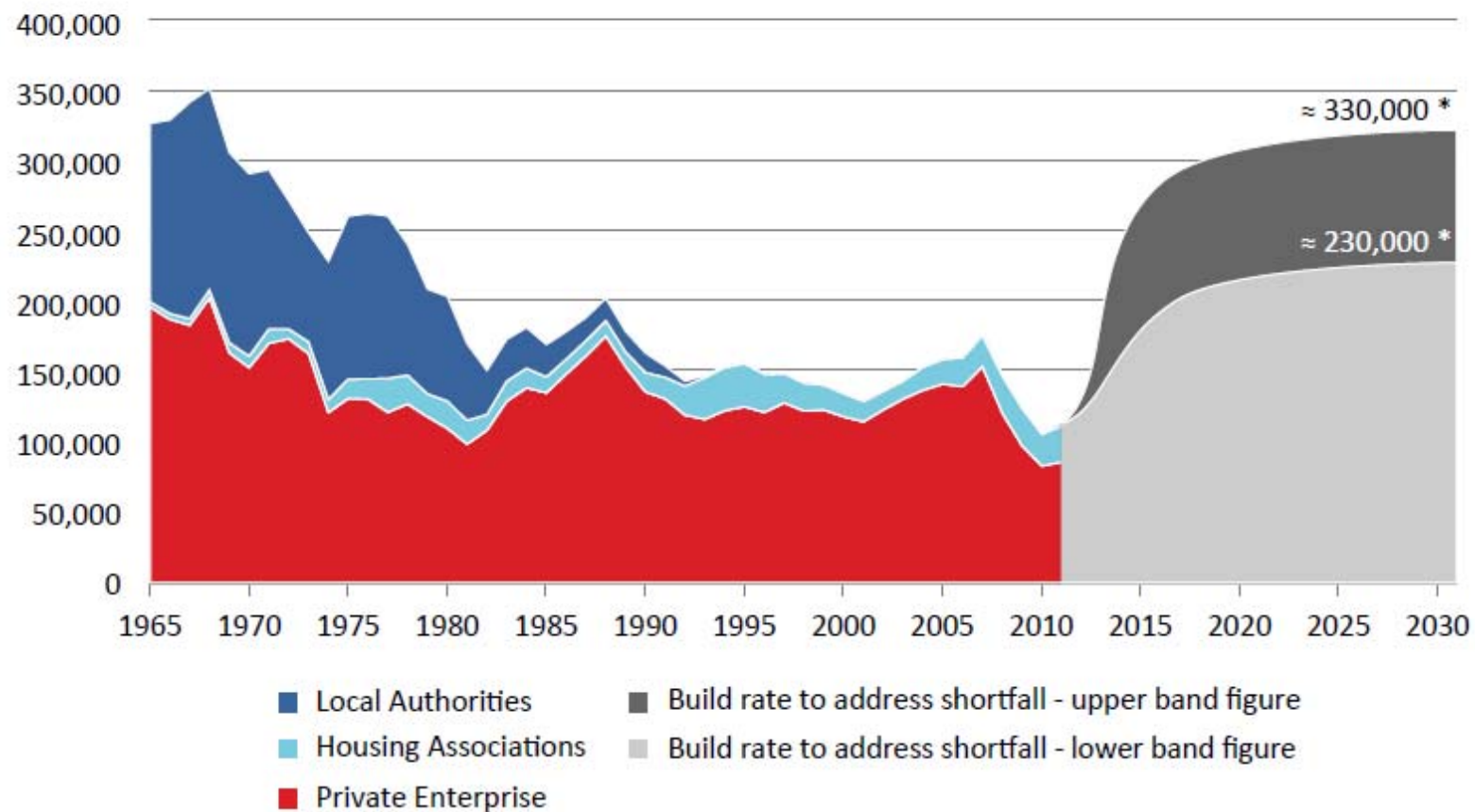
Year	Population	Dwellings	People per Dwelling
1961	43,500,000	14,000,000	3.11
1981	47,000,000	18,000,000	2.61
2001	49,500,000	21,000,000	2.36
2011	53,000,000	23,000,000	2.30
2031	62,000,000 ?	27,500,000 ?	2.25 ? *
2031	62,000,000 ?	29,500,000 ?	2.1 ? *

* This range of figures is obtained by extrapolating the trend line for England (2.25) or, alternatively, extrapolating the trend line for the UK and assuming that England converges to that line (2.1)

Source: ONS, 2011; DCLG 2012; own calculations



Required build rate to make up for dwellings shortfall (England)



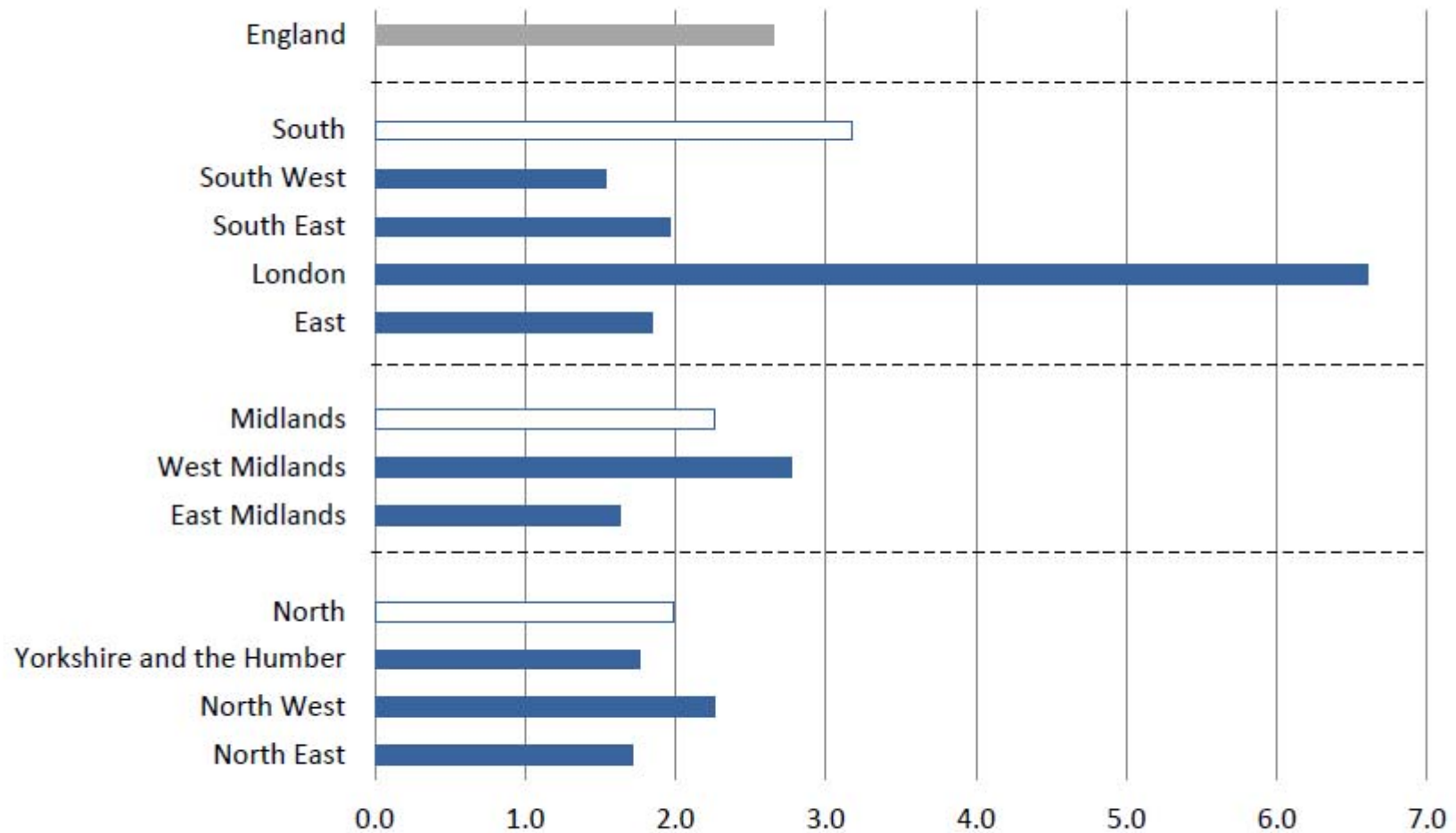
Source: DCLG, own calculations

* These upper and lower band figures are based on different assumptions about the future convergence of occupancy trends for England and the UK as explained in the preceding table



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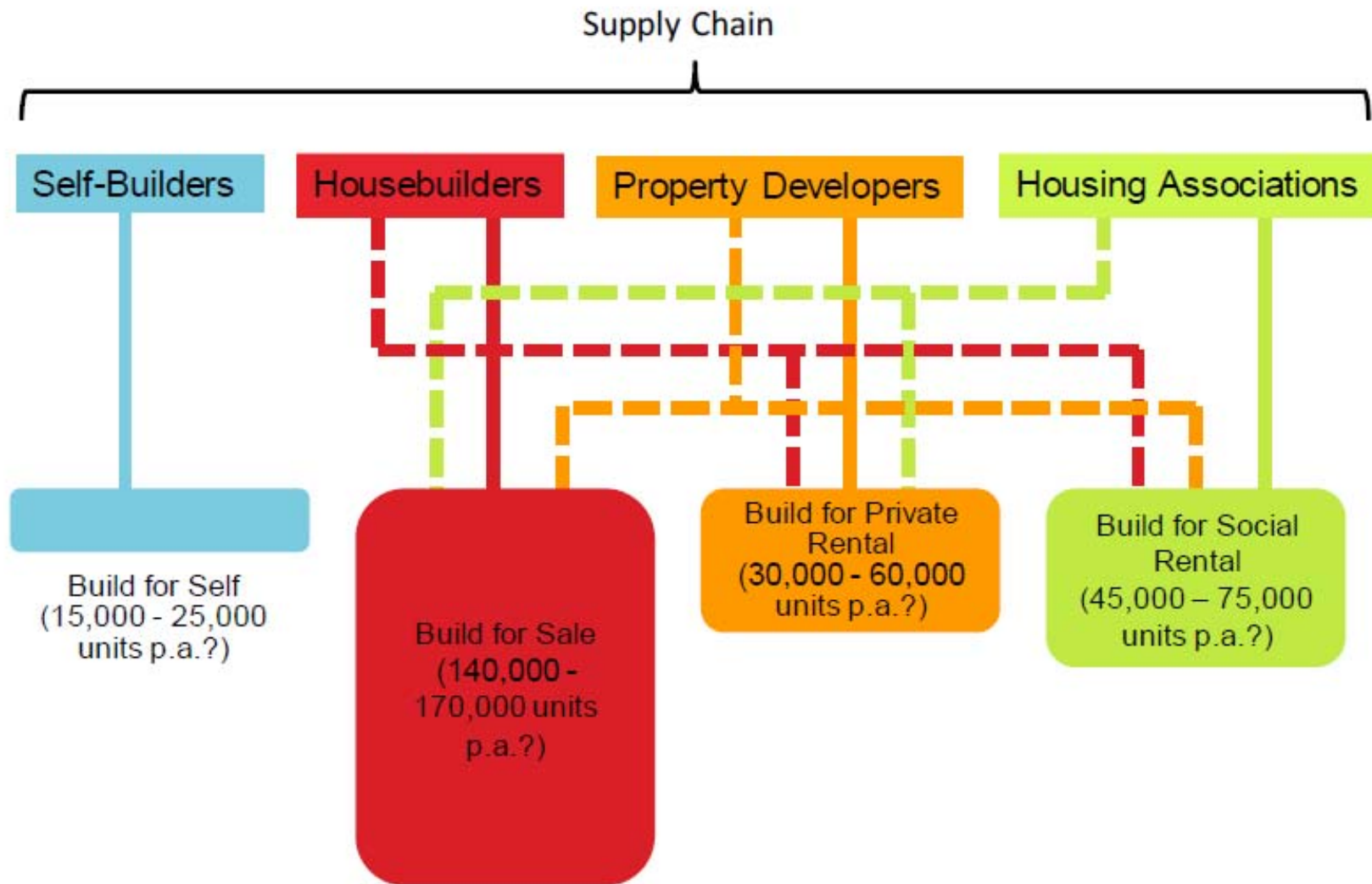
Overcrowding by region (%)



Source: DCLG Survey of English Housing, 2007



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The Future Shape of the Market?

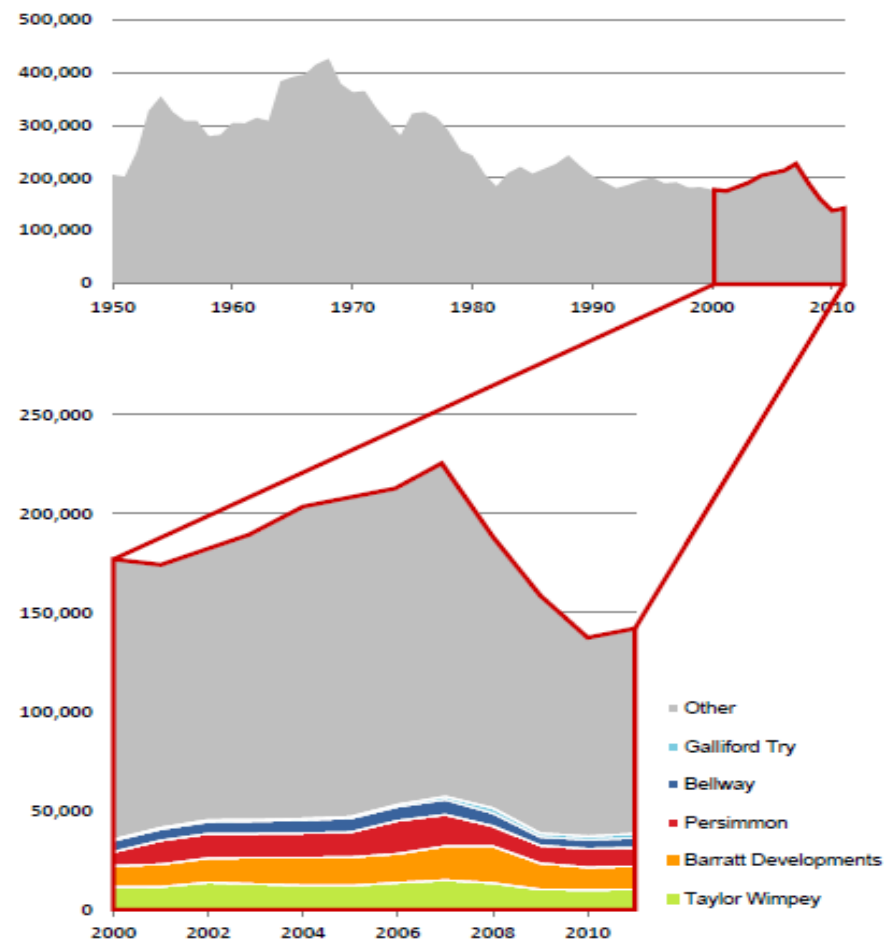


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Sector	Product	Price-point (£/sq.ft.)	Desired Characteristics	Current Volumes (2013: units p.a.)	Projected Volumes (2020: units p.a.)
Self-Build	Single family homes	£100-150/sq.ft.	Low construction risk; speedy construction	7,000	15,000 - 25,000
Build for Sale	Predominantly single family homes, with a significant minority of flats/apartments	£40-60/sq.ft.	Low cost, low construction risk, flexible construction programme	75,000	140,000 - 170,000
Build for Private Rental	Flats and apartments – predominantly medium-rise.	£100-150/sq.ft.	High quality, low construction risk, speedy construction	4,000(?)	30,000 - 60,000
Build for Social Rental	Predominantly low-rise flats & apartments, with a significant minority of single family homes	£80-100/sq.ft.	Durable, low maintenance dwellings; speedy construction.	28,000	45,000 - 75,000



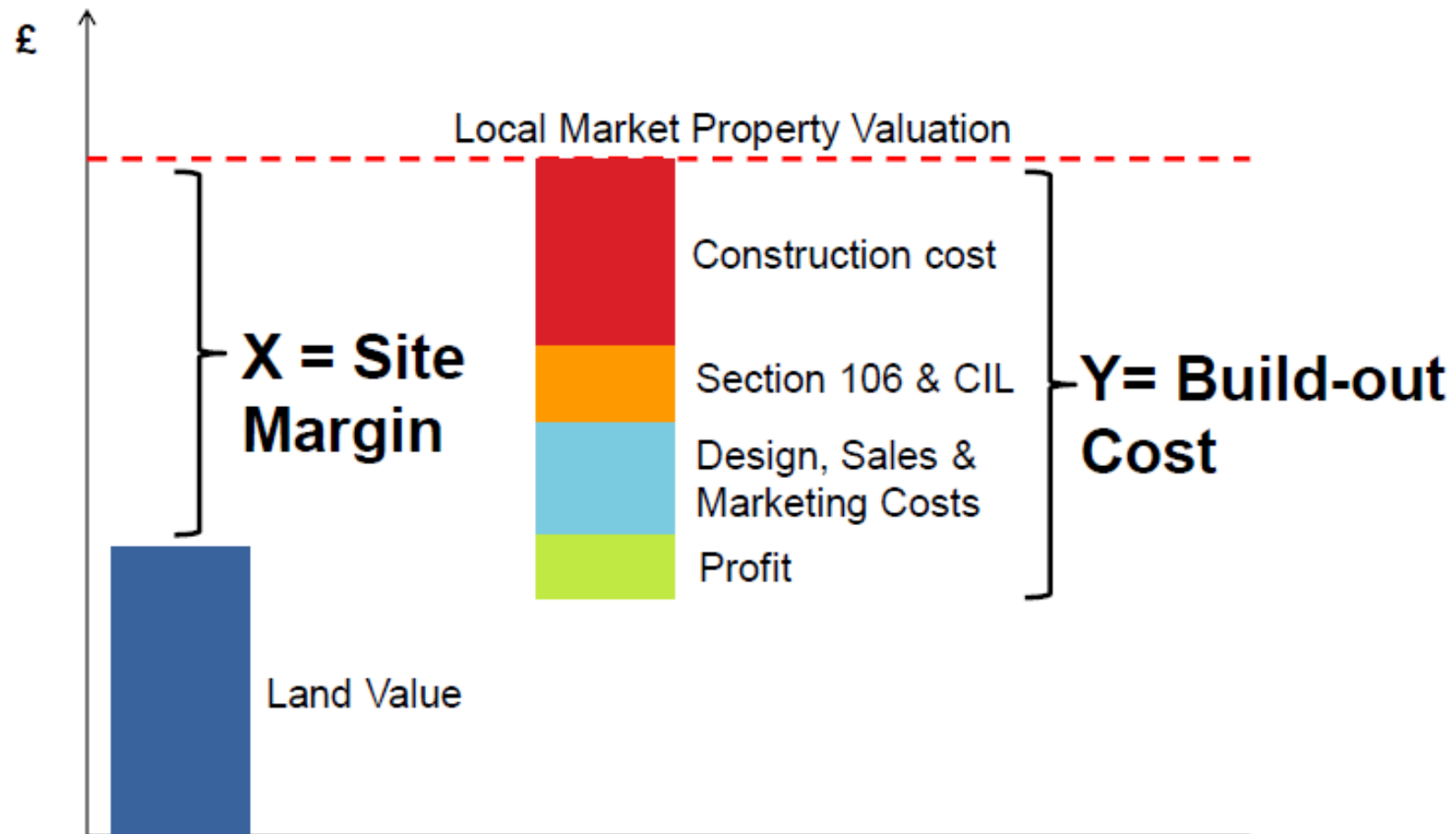
Permanent dwelling completions by housebuilder in the UK



Source: DCLG, Housebuilders' Annual Reports



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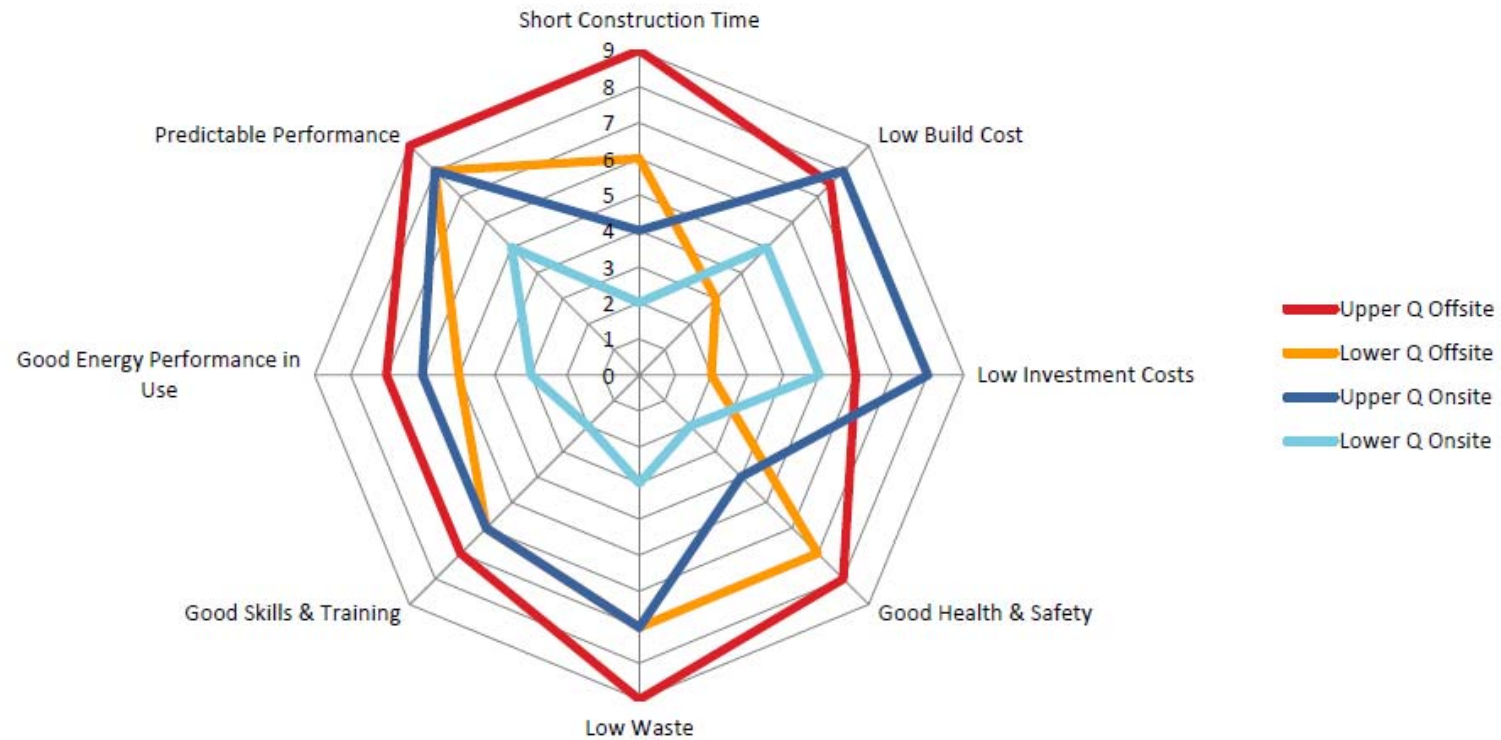


The Decision to Build

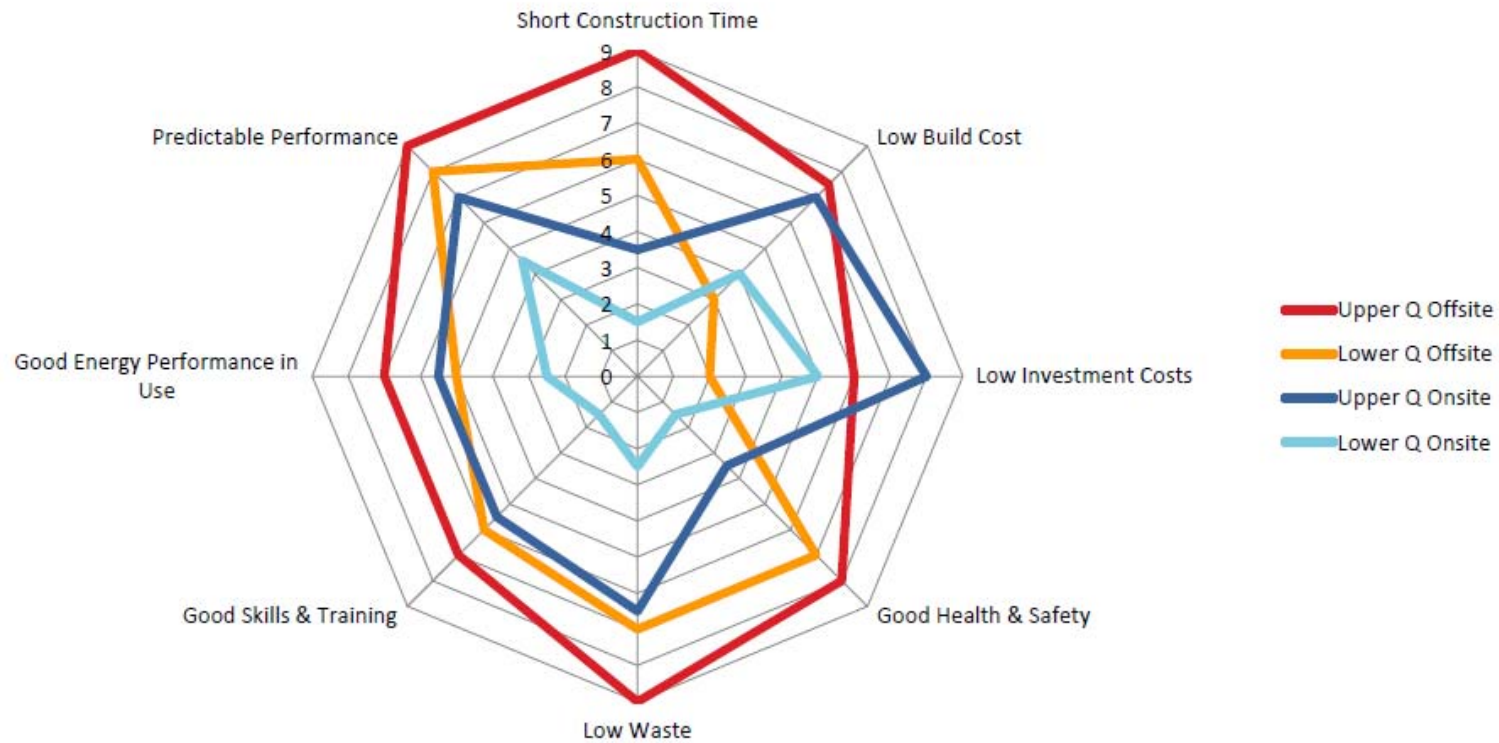
(If $Y > X$, site is uneconomic)



Offsite vs. Onsite: Current Building Regulations Part L



Offsite vs. Onsite: Passive House Fabric Performance



Orig: NW 28/09/2012



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The need for innovation

- The need for new construction techniques, offsite
- Risk management
- Insurance and Assurance in a lean process, BOPAS
- RICS, CML, mortgageable, insurable, valuable, traceable



Buildoffsite Property Assurance Scheme (BOPAS)

- Buildoffsite
- Lloyds
- BLP (Allianz)
- RICS
- Banks



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