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Self Build Housing Market Report Market Report – UK 2011 – 2015 Analysis

New AMA report provides a major review of the UK Self Build Housing Market

“The self build sector, in common with speculative housing, has declined in the UK over the last 5 years to a level of 12,000 housing units although given the recent initiatives by the government, and the increasingly high underlying demand for housing, our forecast is for modest growth over the next five years.

However, in the short-medium term, the self build market will not expand significantly without Government intervention in the planning system. There is considerable latent demand and the sector is generally higher specification, more innovative and creative in design. However, until the issue of volume developers typically operating with landbanks of around 4-5 years build demand, while self builders can't find suitable plots is addressed, we are unlikely to see any significant growth in self build output”.

A brief summary of the report is included on the following page.

Priced at £665, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

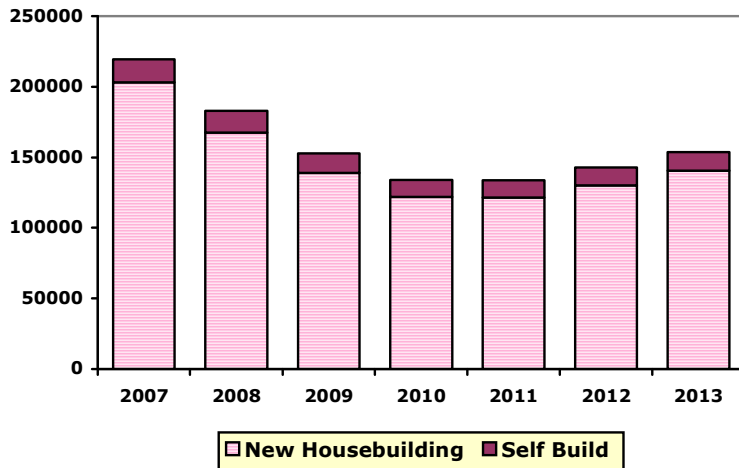
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Andrew Hartley on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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Self Build and New Housebuilding Completions UK 2007-2013



In 2010, housing completions in the UK were 12% down on the previous year at just over 134,000, although housing starts showed some growth as the year progressed ending the year 22% up at 131,000, with 2011 estimated to have experienced marginal growth. The self build sector, in common with speculative housing, has declined in the UK over the last 5 years to a level of 10,000 housing units although given the recent initiatives by the government, and the increasingly high underlying demand for housing, our forecast is for modest growth over the next five years.

Estimates of market volumes have, at times, varied widely according to different sources. While some figures have suggested self-build volumes in excess of 20,000 units, there are

other estimates at lower than 7,000 units. Our view is that the market in 2010 is approximately 10,000 units and, although our estimates suggest that the volume of new self-build projects has decreased during the recession to about 10,000 units in 2010, it still remains difficult to see any substantial increase in output due to land availability problems

Self build in the constituent countries of the UK varies considerably. Despite accounting for well over 80% of total UK housing output, England only accounts for around 45% of self build output in the UK, with Scotland at 28% and Wales & Northern Ireland together accounting for over 25%. This low figure in England is due to the fact that the number of suitable plots available in England is much lower in relative terms – particularly in the South.

As a result, fundamental to the growth of self build housing going forward in the UK - and particularly in England - will be the availability of suitable plots in desirable areas. However, in areas where self build is a way of life and embedded in the culture of the country it is not just land availability which is a key factor. Many of the restrictions which hinder the growth of self build in the UK will need to be addressed if the sector is to prosper in the medium term.

In overall value terms, self build is worth around £3 billion (including land), with building materials valued around £1 billion > this represents a major opportunity for many material suppliers and distributors, particularly as self build tends to be a key market for more innovative products and is often a more considered specification process. In addition to smart home systems - such as wireless devices for appliances and lights, automated curtains and blinds, security systems, smart meters etc, - it is apparent that renewable technologies and standards of insulation are higher in the self build sector. Many of these technologies such as solar panels and heat pumps are cheaper to install in the early phase of the construction process, particularly where groundworks need to be carried out.

Distribution in the self build market is a mix of timber frame and traditional methods, with kits continuing to represent a significant share of the timber frame sector. Kits offer significant advantages, not only in terms of environmental performance, but also they are supplied prefabricated with a range of component / fittings options to the buyer's specification.

In the short-medium term, the self build market will not expand significantly without Government intervention in the planning system. There is considerable latent demand and the sector is generally higher specification, more innovative and creative in design. However, until the issue of volume developers typically operating with landbanks of around 4-5 years build demand, while self builders can't find suitable plots is addressed, we are unlikely to see any significant growth in self build output.

AMA Research's report "**Self Build Housing Market Report - UK 2011-2015 Analysis**" is available in hard copy or electronic format for £665 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.