



CHANGES IN THE DOMESTIC SECTOR

White paper report

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Overview

This paper was put together following the CBx breakfast event in May 2015, to describe and explain the recent changes within the domestic sector. Our panel of experts discussed what the changes in May would mean for the industry in terms of Housing Standards and the implications to planning regulations, presented ideas on whether the changes would compromise sustainability, and talked about how we should deliver energy efficiency by closing the loop. Since the CBx event in May, more changes have come to pass within the domestic sector which have been captured in this paper.

With special thanks to our fantastic panel of experts; Clare Murray of Levitt Bernstein, Dan Jestico of Hilson Moran and Saryu Vatal of BSRIA.

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INTRODUCTION

The domestic sector has experienced numerous changes in government regulated policies and standards within the last few months. Between the event in May and the general election, many of the alterations which architects, developers and clients were trying to adapt to and incorporate into their planning and development process have already changed. While it would appear that the government is backing away from long-term policies that support renewable and low carbon industries, is the industry capable of pushing sustainability through into best practice regardless of lack of regulation? This document aims to review the main changes within the domestic sector and provide an update to the present.

KEY CHANGES:

- Prior to March 2015, there were numerous requirements which were needed to submit a planning application for a project. These ranged from technical standards to minimum compliance standards associated with ensuring a dwelling is safe, efficient and constitutes a decent living space.
- In March 2015, the Housing Standards Review (HSR), a process to deregulate and simplify the planning process, concluded. At the same time, a ministerial statement saw the withdrawal of the Code for Sustainable Homes apart from within the management of legacy cases. Of the 34 Code for Sustainable Homes issues, only 12 have remained in either Building Regulation or planning policy; and these are not regulated to the same previous extent.
- In July 2015, a governmental productivity plan was published, withdrawing allowable solutions and the Zero Carbon Homes target, despite Eric Pickles' restated commitment in March. This received much criticism within the industry and has reduced industry confidence in the government.
- It is expected that October 2015 will see the introduction of optional standards determined in

the Housing Standards Review (HSR) associated with space, access and water consumption enforceable through planning policy.

- Furthermore, issues such as overheating, sunlight, energy performance post-construction, aftercare & soft-landings, closed loop materials and climate resilience have not been addressed and a lack of regulations or review will lead to increased inefficiencies and a worsening perception of new homes. However, local authorities are limited as to which technical standards they may enforce.
- Emphasis has been placed on voluntary standards to compensate for the lack of binding regulation. BRE have launched a voluntary Home Quality Mark (HQM) for new housing which aims to clearly indicate the overall expected costs, health & wellbeing benefits and environmental footprint associated with living in the home. As with all voluntary schemes, it is not clear how effective the HQM will be in ensuring increased sustainability within the domestic sector.
- The industry is calling for increased attention to closing the loop through reviewing occupant behaviour and building performance. By performing post occupancy evaluation, it is hoped that a greater understanding of what currently works and what does not might help inform future regulations, building practises and end user guides.

HOUSING STANDARD REVIEW:

The Housing Standard Review process began in March 2012 by the coalition government with the aim of consolidating overlapping standards and regulations. In theory this would make the process work more efficiently by reducing the number and instances of duplication of standards. For example under previous systems, you might have had to demonstrate energy and carbon data up to three times for building regulations, code for sustainable homes and again to meet planning targets. However once the Review concluded in March 2015, it seems that the outcome has been over-

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simplified, ignored industry advice and left a great deal more confusion in its wake.

Of the 34 original Code for Sustainable Home issues (Department for Communities and Local Government, 2008), only 12 have remained in either Building Regulation or planning policy; and these are not regulated to the same previous extent. Additional technical standards are to be introduced including the Space Standard and planners will have the ability to enforce further technical standards via building control for both access and water consumption. For example, your local authority might apply the optional water consumption technical standard through building regulations if a project is located in a water stressed area. While this might provide additional coverage in certain areas, it is dependent upon each areas local authority and based upon their judgement; there is no consistency over level of implementation.

“Of the 34 original Code for Sustainable Home issues, 12 have remained in either Building Regulation or planning policy; & are not regulated to the same extent.”

Other, familiar, issues have also arisen such as overheating, energy performance post-construction, indoor air quality, sunlight and daylight. Despite these issues not being regulated, industry pressure to include these in the recent review has been ignored, leaving these issues unaccounted for within new legislation and blocked from specification by Local Authorities. These are important issues supported by a growing body of research illustrating the urgency for them to be addressed within the domestic sector as there are additional impacts on occupant health and wellbeing. The lack of acknowledgement by the government to include these in the Review despite industry pressure is a concern.

EXAMPLE: OVERHEATING

Overheating has been identified as a health and safety issue since the early noughties, yet was not included within the Housing Standards Review, nor does it have a technical regulation. While the government-led Standard Assessment Procedure (SAP) Appendix P is intended to assess overheating potential for Building Regulations, it is considered by many to not be fit for purpose and easily manipulated. Recent research shows that this is an issue of growing concern, even for buildings originally being built to Code 3, Passivhaus or high Fabric Energy Efficiency Standards (Zero Carbon Hub, 2015). There is a difference of opinion amongst developers over the extent to which overheating is an issue. This may go some way to explaining why this was not included in the Review. Numerous, varying opinions between what designers, contractors and clients perceive to be important have influenced government, who have responded by ignoring overheating and other important issues such as indoor air quality, sunlight, closed loop materials, climate resilience, aftercare & soft landings and energy performance post construction. Despite the lack of governmental regulation, these issues must be acknowledged, agreed upon and incorporated into design to avoid future complications.

However, it is also important to note the role the occupant plays in understanding the “user” aspect of the homes and how they operate.

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CODE FOR SUSTAINABLE HOMES:

The Code for Sustainable Homes was originally adopted as the government's own national standard as a rating system to assess the sustainability of new homes. In response to the Housing Standard Review, many of the requirements within the Code began to be consolidated into technical standards assessed by Building Regulations. In March 2015, Eric Pickles' Written Ministerial Statement withdrew the Code entirely from regulations, apart from within the management of legacy cases. This means that Local Authorities are no longer able to require it within planning proposals for new projects, unless there are existing legacy contractual agreements which will still be managed, assessed and certified under the Code.

“In March 2015, Eric Pickles' Written Ministerial Statement withdrew the Code entirely from regulations, apart from within the management of legacy cases.”

The argument for withdrawal of the Code is based on the premise of simplifying housing standards and planning applications. It has been argued that while the Code has had a positive influence on house building by promoting standards, knowledge and skills, it lacks a connection with consumers due to being government led. However, there are concerns in industry that the removal of the Code with nothing to fill the gap will allow developers to focus on quick and easy profits to the detriment of the environmental credentials of the project.

Moreover, confusion still remains as the Code still falls under planning policies within local authority development plans, although the ministerial statement says the Code should no longer apply. This transition and the surrounding confusion can complicate planning applications, so during this phase, speaking to local

planning officers should be the best option in understanding appropriate requirements.

PLANNING APPLICATIONS:

These recent changes are likely to have an impact on planning applications. At a time when demand for housing is at its highest, there is the concern that developers might delay their planning application as they wait for the most favourable conditions for their projects.

At a time when demand for housing is highest, recent changes may incentivise developers to delay their planning applications as they wait for favourable conditions.

But the ever changing regulations over the past few months might limit this concern. For example in May, trying to pre-judge which standards a project will have to comply with might mean waiting until 2016 and zero carbon homes. This would have meant that a London project might only have to be 19% better than Part L in 2016, compared to the GLA 35% better than Part-L target at the current time. However, the Treasury have now axed the plans for zero carbon homes and the 2016 19% improvement as part of a productivity plan which is aimed at boosting housebuilding by relaxing planning laws (HM Treasury, 2015).

Despite the changes to planning policies aimed at simplifying the process of housing standards and planning applications, the recent rapid changes have instead added confusion to the process, all the while misplacing focus on the true *raison d'être* of creating sustainable homes in line with national targets. Local authorities now have their hands tied with regard to planning policies relating to sustainability and have to make decisions with the best interests of their area.

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ZERO CARBON HOMES:

When Gordon Brown first proposed zero carbon homes in 2007, the aim was to ensure all new homes from 2016 would produce as much energy onsite through renewables, as they would use in terms of heating, electricity and lighting. The intention of the zero carbon homes policy was to future proof occupants against fuel poverty, improve national energy security and minimise or eradicate the operational impact of homes on climate change.

“The government does not intend to proceed with the zero carbon Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards...”

A number of concerns were raised about zero carbon homes including whether “zero carbon” was achievable; concerns over the impact of these homes on UK emissions as newly built homes are only a relatively small percentage of the total; and whether developers might focus more on allowable solutions rather than meeting carbon compliance standards as a way of creating these homes. Despite exceptions that were later added to the zero carbon homes standard, whereby small site developments of under 10 properties would be exempt from allowable solutions, industry thought the targets were achievable and has spent eight years preparing for this ambitious policy move.

Over the last few years, local governments and industry professionals had been working together to form a common definition, practical requirements and effective processes to help establish and lead on the zero carbon homes plan. Eric Pickles’ statement of commitment in

March to the implementation of the zero carbon homes standard 2016 subdued Industry concerns over the endurance of the policy post-election.

However, July 2015 saw the publication of the governments ‘Fixing the foundations: Creating a more prosperous nation’ which included the removal of allowable solutions and zero carbon homes. This unexpected announcement was made without industry consultation.

Industry senior leaders from over 200 organisations criticised the sudden U-turn in policy, stating it has “undermined industry confidence in Government” (UK-GBC, 2015). Whilst acknowledging zero carbon homes was not perfect, large sums of time, money and effort had been invested into developing detailed solutions and processes to make zero carbon homes into a realistic common goal.

The detriment to these investments, of favouring less sustainable housing and of reducing innovation, is likely to contribute to energy inefficiency, increased fuel poverty and will threaten the UK’s ability to meet targets under the Climate Change Act. However, the progress and learning achieved in the preparation for this now redundant policy should be the focus, with extra momentum in favour of greater voluntary sustainable practice within the house building industry.

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VOLUNTARY SUSTAINABILITY:

In the wake of the Housing Standards Review, the withdrawal of the Code for Sustainable Homes and the cancellation of Zero Carbon Homes, greater emphasis has been placed on voluntary sustainability. BRE (Building Research Establishment) have launched a voluntary, national Home Quality Mark (HQM) for new housing. This is intended to provide impartial information from independently licensed BRE Global Assessors based upon a five-star rating. The HQM aims to put emphasis on the consumer, in influencing their demand when choosing a well built, cost effective home by clearly indicating the overall expected costs, health & wellbeing benefits and environmental footprint associated with living in the home. This is in the hope that developers will demonstrate their sustainability credentials to prospective customers and new homes will become increasingly sustainable despite the lack of enforced technical standards. While this will demonstrate a relatively good benchmark, there are other areas which need to be covered for a truly holistic sustainable approach. Furthermore, how many developers choose to voluntarily use this standard, and the way in which consumers engage with this standard and yet to be fully understood and might be optimistic, despite best intentions.

“The Home Quality Mark aims to put emphasis on the consumer, in influencing their demand when choosing a well built, cost effective home...”

Other pre-existing sustainability issues which should be incorporated as voluntary practices within the design and development of a property include daylight & sunlight, indoor air quality, overheating, biodiversity and landscape, closed loop materials, lifestyle & community living, energy performance post-construction and consumer focused design & behaviour,

although most of these issues are included within the remit of the Home Quality Mark.

CLOSING THE LOOP:

Within the industry, there is the need to develop a culture of going back into the buildings that have already been delivered and evaluating their success. How will designers and developers know what works and what doesn't, which areas need improving or even strategies that should be ignored next time if we are not continually evaluating and feeding back?

“Post-occupancy evaluation is critical tool in establishing whether the delivered building is performing as intended in terms of energy performance, health, safety and comfort.”

This can be achieved through two main activities, based upon either the occupant behaviour or the building performance or both. Post-occupancy evaluation is critical tool in establishing whether the delivered building is performing as intended in terms of energy performance, health, safety and comfort. It should be good practice to include a post project review; only in acknowledging, studying and reviewing these new buildings can we improve upon them in future.

Occupant or 'user' behaviour is also important to acknowledge. It should not be assumed that a person buying or renting a property is going to want to engage at point of purchase or remember information from the initial handover. In a market with high prices and demand, purchasing a property that is more sustainable than another is less likely to sway buyers than other factors. It isn't until the property is lived in that users are often left with larger than expected energy bills, or new

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issues such as overheating, air ventilation or lighting problems. It is therefore important to engage with the occupant during handover and provide best practice information of the workings of their building so that they can use their property optimally and efficiently. Their feedback also provides useful guidelines to whether the building will be operating as designed.

If we want users to engage with the building, designers and developers need to ensure the building is working and worth engaging with. Designers can have a powerful influence over the performance of the building with preplanning and help take the responsibility from the occupant. The use of voluntary standards and the addition of a feedback loop can help to increase building sustainability within the domestic sector into the future despite the lack of regulations.

“The use of voluntary standards and the addition of a feedback loop can help to increase building sustainability...”

CONCLUSION

The domestic sector, like all areas of the built environment, has seen numerous rapid shifts within the last year in terms of regulations and policy changes. Despite strong opinions from industry experts, it is clear that often these government-led changes do not reflect what the industry is asking for. It would be wise to slow down the pace of the changes in regulation whilst designers, developers and construction teams adapt to the latest changes. In the meantime, there should be internal efforts from within the industry to push for greater sustainability through voluntary measures. Reviewing and evaluating existing builds can provide lessons in what works and what should be avoided to help inform future regulations, improve building processes and advance innovation. By closing the loop

and actively trying to narrow the performance gap, both new builds and existing buildings will be able to reduce carbon dioxide emissions towards future targets and provide more efficient homes to the end user.

RESOURCES

- HM Treasury (July 2015) ‘Fixing the foundations: Creating a more prosperous nation’, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443897/Productivity_Plan_print.pdf
- Department for Communities and Local Government (October 2008) ‘Code for Sustainable Homes – A Technical Guide’, http://www.planningportal.gov.uk/uploads/code_for_sustainable_homes_techguide_oct08.pdf
- Zero Carbon Hub (August 2015) ‘Monitoring Overheating: Housing Association Case Studies’, <http://www.zerocarbonhub.org/sites/default/files/resources/reports/ZCH-OverheatingInHomes-Monitoring-Spreads.pdf>
- UKGBC (July 2015) ‘Over 200 businesses urge Chancellor to reconsider scrapping zero carbon’, <http://www.ukgbc.org/press-centre/press-releases/over-200-businesses-urge-chancellor-reconsider-scrapping-zero-carbon>