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INTRODUCTION

This chapter is concerned with the mass production of new housing by speculative builders and the extent to which its design can be influenced for the better by policy actions. As a starting point, it is important to remember that design is but one element of the speculative builder’s business strategy and is by no means the most significant. Indeed, more attention is usually paid in speculative housebuilding to acquiring land, achieving government approvals, securing finance, organising construction, and marketing the completed development than to matters of design (whether conceived as the appearance and functionality of the finished product or the problem-solving process by which it is delivered). Design is thus embedded within, and reflective of, the broader residential development process as well as the particular business strategy of each housebuilder. Both of these create an important contextual framework for design decisions, which changes over time in response to both social, economic and institutional circumstances and the particular development opportunities available at any moment.

The importance of this from the policy perspective is that actions intended to shape, regulate or stimulate residential design quality, or to build the capacity to do so, are unlikely to be successful unless related to a mature appreciation of their likely impact on the development process as a whole and the business strategies pursued by particular types of housebuilder. In this chapter, by connecting the pursuit of better quality design by UK policy-makers to their desire to shift the focus of housing development from greenfield to brownfield land, we seek to explore the extent to which speculative housebuilders, as adaptive business organisations, can be persuaded by policy actions to move away from mass or standardised designs towards customised or bespoke ones that might run with the grain of a place and demonstrate enhanced sensitivity to particular local contexts.

Speculative housebuilders are responsible for much of the new urban form of Britain. Unlike commercial (and to a lesser extent industrial) developers, speculative housebuilders consume extensive tracts of land, both within, and on the periphery, of British towns and cities. Indeed, between 1990/91 and 2007/08, private developers built almost 2.95 million new homes across the UK, accounting for 85% of all housing production (DCLG 2009). Significantly, this new residential Britain of the late twentieth and early twenty-first centuries was disproportionately produced by a small number of very large companies. By 2000, for example, 71% of all newly-completed private homes across the UK were built by only 43 ‘major builders’, each with an annual output of 500 or more units (Wellings 2001). The collective market share of the largest 15 of these...
companies, each producing 2,000 or more units annually and classed as ‘volume builders’, had by then reached almost 50% (Calcutt 2007). Consequently, the residential design quality achieved by speculative housebuilders, and especially by the largest companies, is both central to the prospects of securing that step-change in urban quality desired by policy-makers as well as daily evident to millions of home owners first hand.

Yet, as one prominent Government report commented, “... too many housing estates are designed for nowhere in particular. They can be soulless and dispiriting. All too often they are not well-connected to local services and promote dependency on the car” (DETR & CABE 2001: 5). Since the mid-1990s, policy-makers across the UK have therefore waged a concerted campaign to transform the design quality of new residential developments. In this chapter, we draw on recent research conducted among major and volume housebuilders to enquire how far this campaign has changed the inherent design culture of the industry.

Our particular focus is on brownfield development, where earlier work had suggested that a more demanding market context and more difficult site conditions would cause speculative housebuilders increasingly to turn to skilled designers for successful and profitable solutions (Tiesdell & Adams 2004). We set out the context for our enquiry in more detail in the next section, where we review how the design critique of UK speculative housing products emerged from the mid-1990s and how this generated specific policy responses. We connect these with the parallel policy switch from greenfield to brownfield development and review emerging evidence from CABE on whether speculative housebuilders have made any real improvement in design quality in recent years.

The mediocre performance revealed by this evidence then causes us to look more closely at the business strategies and working practices of speculative housebuilders in order to understand the extent to which design is considered important within the industry. This leads us to report our own findings, from which we conclude that, ironically, the industry’s apparent product innovations of recent years have been driven by the desire to avoid process innovations and so maintain ‘business-as-usual’. The industry’s continued reluctance to accord design a central place within its culture and strategies raises significant policy implications, especially in relation to the effectiveness of design regulation and the need for wider capacity building, which we explore in the concluding section.

THE DESIGN DEBATE AROUND SPECULATIVE HOUSING DEVELOPMENT

The emerging critique of speculative housing design

By the early twenty-first century, the design quality of UK speculative housing development had come under concerted attack. The Scottish Executive’s Planning Advice Note 68: Housing Quality illustrates this well, contending that: “Many suburban areas lack character, identity or variety. Too many new homes look as if they could be anywhere. Thoughtlessly chosen standard house types and inappropriate materials look disconcertingly out of place.” (Scottish Executive 2003: 10)

Yet, until a decade earlier, governments had generally defended the right of housebuilders to produce whatever designs and layouts they considered ‘the market’ demanded, believing that minimal interference in the production specifics of new homes was essential to achieve the broader policy goal of greatly increased home ownership. Michael Heseltine, for example, shortly after having been appointed Secretary of State for the Environment by Margaret Thatcher in 1979, issued the now notorious Circular 22/80, which warned against ‘the unnecessary imposition of design standards’ by planners and councillors, and argued that since aesthetics were subjective, it
was not the role of local authorities to impose their own tastes and fashions on developers (DoE 1980). This regrettable conflation of design standards with aesthetics, which Heseltine’s statement reflected, plagued much of the policy debate around design for at least the next decade.

Ironically, the reversal of this market-led approach was initiated by one of Heseltine’s Conservative successors as Environment Secretary, John Gummer, who voiced concern that ‘ugly’ housing estates that made places seem just like everywhere else, had become an important component of the growing public resistance to greenfield development (DoE 1996). By specifically asking what more could be done to raise design quality, Gummer sparked a debate that, in due course, produced intensive policy interest in changing the design behaviour of speculative housebuilders.

Early contributors to that debate included Black (1997), a former developer himself, who spoke about the industry’s reliance on a manufacturing, rather than design, process, its limited interest in the public realm, its ‘build and walk away’ trading ethos, and its lack of interest in local consultation. Fulford (1998: 128) added that this created “... a factory style box-building approach”, while the Popular Housing Forum (1998) found the industry’s customers generally considered their new homes to be cramped, boxy and lacking individuality. The Urban Task Force (1999) appointed by the incoming Labour Government, sought to turn around the UK’s record of poor urban design through generating commitment to quality and creativity in the design of buildings, public spaces and transport networks.

The Urban Task Force report challenged not merely speculative housing design but the design culture of speculative housebuilders, evident in three particular deficiencies:

1. Quantity appeared to matter far more than quality to speculative housebuilders (Carmona et al 2003) and involved standardisation of production, with only limited changes made from place to place to the façade of standard house types, often for marketing reasons rather than to reflect particular place distinctiveness.
2. Standardisation required limited design skills, so builders employed technicians not architects, who could even design housing layouts by computer without ever visiting the site to understand its problems, qualities, attributes and potential (Tiesdell & Adams 2004).
3. This meant that little appreciation was given to the setting of new homes, with speculative housing estates failing to create successful streets, neglecting to provide attractive pedestrian routes and failing to appreciate their relationship with the wider landscape (Scottish Executive 2003).

Much of this design critique was directed at greenfield development, which until the late 1990s, had dominated housing production. Tiesdell & Adams (2004: 39) summarised the criticism in the following terms:

“On greenfield sites (and in the absence of external sanctions against doing otherwise) developers’ strategic interest in design does not need to extend much beyond ‘kerb appeal’, which, in practice, may amount to little more than different packing of standardised ‘boxes’.”

Despite such criticisms of poor or standardised designs, the continuing benefits of product standardisation (see later) and the resulting lack of strategic interest in design meant there was little change to housebuilders’ conventional approach to design, until at least the late 1990s. Indeed, standardisation remained an all too important business strategy for this risk adverse industry.
The transition to stronger residential design policy

Following its election in 1997, the Labour Government devoted considerable effort to transforming the urban design policy environment, in which the promotion of better designed residential developments featured prominently. Two main factors came together to strengthen residential design policy, namely the clearer articulation of policy aims in an attempt to shape market behaviour, and its more forceful implementation both through regulating market behaviour and building capacity to influence design thinking. Although driven forward primarily in England, the broad principles of this new approach were later reflected in policies adopted across the UK, and specifically by the Scottish Executive, north of the border. An early policy change sought to replace car-dominated housing layouts by emphasis on creating well designed places served by traditional connected streets, rather than hierarchical road systems (DETR 1998). This was followed by a fundamental revision to Planning Policy Guidance 3: Housing (DETR 2000), which had five design policy objectives:

1. The creation of environmentally and socially sustainable communities instead of single-use, socially zoned residential ghettos.
2. Much greater emphasis on urban design, extended to cover residential areas, with townscape, social usage, urban form and functionality seen as important issues.
3. Recognition of the importance of landscape design in promoting quality, enhancing drainage and increasing biodiversity.
4. Legitimising architectural design as a policy matter, including concern for local building traditions and materials, energy efficiency and new building technologies.
5. Encouraging local authorities to adopt appropriate design policy frameworks that require applicants to show how they have taken good design and layout into account (Carmona et al 2003).

Significantly, Carmona et al (2003: 126) drew important contrasts between the 2000 version of PPG3 and the 1992 version, which it replaced. They commented that:

“Looking back … the impression given in the 1992 policy is one of lip-service to design … Conversely, the 2000 version of PPG3 makes no mention of marketing needs as a driver of design solutions and places no obvious limits on the design aspirations of authorities …”

A companion guide to PPG3 entitled By Design: Better Places to Live (published jointly by the DTLR and CABE in 2001) elaborated in detail on how the principles of urban design could be applied to create better residential environments. Tellingly, none of the many case studies and examples used in the report commended the conventional suburban housing estate for so long produced by speculative housebuilders, although many drew attention to its deficiencies.

This new philosophy has remained at the heart of English design policy, with the latest guidance (DCLG 2006c: 8) proclaiming that: “Good design is fundamental to the development of high quality new housing, which contributes to the creation of sustainable mixed communities.” Similarly, in Scotland: “Creating high-quality residential environments is also a key Scottish Executive policy objective … Developers should think about the qualities and characteristics of places and not consider sites in isolation.” (Scottish Executive 2003: 7 & 16)

Residential design policy has thus been reformulated to emphasise the making of sustainable communities, rather than the mere construction of housing estates. This reformulation has been driven forward by policy-shaping guidance at the national and increasingly local levels, where design now features far more strongly in development plans and frameworks and where much
greater emphasis has been placed on detailed design briefs and related supplementary planning guidance. Importantly, however, these sharpened policy-shaping instruments have been backed by the apparent reinforcement of design regulation, encouraged by the Government’s statement in PPS 3 that: “Design which is inappropriate in its context, or which fails to take the opportunities available for improving the character and quality of an area and the way it functions, should not be accepted.” (DCLG 2006c: 8)

Although there has been little resort to stimulus policies to promote better design (except perhaps in relation to historic buildings and where design conditions have been attached to regeneration grants) capacity building has featured strongly as a design policy tool, especially through the ‘Building–for-Life’ initiative. This was established in 2002 as a partnership principally between CABE and the Home Builders Federation (HBF), reflecting recognition by the housebuilding industry of its own need significantly to improve the design quality through cultural change and corporate commitment and by making greater use of an enhanced skills base. Significantly, the partnership has developed a national standard for measuring well-designed homes and neighbourhoods, through establishing 20 ‘Building-for-Life’ criteria that “… embody our vision of functional, attractive and sustainable housing.” (see http://www.buildingforlife.org/criteria)

These criteria can be applied through informal or formal assessment of individual proposed developments and are celebrated annually through the Building for Life Awards given to outstanding housing developments. A more representative picture, however, is evident from the audit process so far undertaken for 100 housing developments in London, the South East and East of England (CABE 2004c), 93 schemes in the North West, North East and Yorkshire and the Humber (CABE 2005) and a further 100 schemes across the East Midlands, West Midlands and the South West (CABE 2007a). These reports make salutary reading. Across England as a whole, only 18% of new residential developments audited against the Building-for-Life criteria were rated as ‘good’ or ‘very good’; 29% were so poor that, according to CABE (2007), they simply should not have been given planning consent.

In his foreword to the final report, CABE’s Chief Executive commented:

“The housing produced in the first few years of this new century is simply not up to the standard which the government is demanding and which customers have a right to expect. Our research indicates that some things are improving. But the improvement is too little and too slow“ (CABE, 2007: 3).

This raises two crucial questions about the comparative effectiveness of the various policy instruments so far deployed in the Government’s attempt to transform residential design quality, which we subsequently address in relation to brownfield development within our own research, namely:

1. How far can embedded behaviour within the private sector be fundamentally changed by a reliance on seeking to shape housebuilder behaviour, backed up as necessary by robust regulation of housebuilder behaviour?
2. What role can and should capacity building play in fundamentally changing housebuilder behaviour?

The brownfield policy switch

Since 1998, when the Labour Government raised the proportion of new homes in England expected to be built on previously developed land or achieved through conversions to a target of 60% by 2008, brownfield development has been seen as a central priority, even to the extent of a
moratoria being placed on new greenfield release in regions such as North West England. In due course, the brownfield emphasis combined with the policy emphasis on higher density development within PPG3 (DETR 2000), lead to a wave of new apartment building across England, especially in the centres of major towns and cities (Unsworth 2007).

As Adams (2004) has argued, the brownfield policy switch represented a fundamental challenge to the tried and tested methods of most housebuilders, owing to the greater uncertainty in development appraisal caused by more problematic site conditions, the more restricted opportunities to secure land through options and conditional contracts combined with the greater need to piece together land ownerships and the limited range of contacts and networks that many housebuilders then had in brownfield land markets. Crucially, however, Tiesdell & Adams (2004) suggested that the innate complexity of brownfield land meant that developers would be more likely to turn to skilled designers to realise the full potential of each site.

Intriguingly, then, to overcome their own reduction in ‘opportunity space’ (or strategic freedom of manoeuvre) caused by the Government’s brownfield emphasis, housebuilders might be persuaded to yield some of their remaining opportunity space to skilled designers. This would result in more individualised and bespoke developments, better able to exploit the potential of brownfield land. In other words, attempts to shape and regulate housebuilder design behaviour might work most effectively in a brownfield context, where investing in skilled design would be a practical and financial necessity. Before we evaluate this possibility later in the chapter, we first summarise the most relevant aspects of the prevailing business model in UK speculative housebuilding as an important context against which to understand the industry’s embedded attitudes and behaviour towards design skills.

THE CONVENTIONAL APPROACH TO DESIGN AND CONSTRUCTION IN SPECULATIVE HOUSEBUILDING

Design in UK speculative housebuilding is approached in two key ways, through products housebuilders build and the processes used to deliver these. Emphasis has long been placed on the employment of traditional and relatively simple processes to deliver standard products. Design has thus been interpreted in quite shallow terms as a well-rehearsed process of laying out appropriate house types within a given area to deliver a set of products to a local market. This may involve some minor adjustment to the external appearance at each site, but normally little change to the footprint and functionality of each house type. It is indeed well documented in the literature that the UK speculative housebuilding industry is not renowned for its innovative capacity in either the development of its products or the processes it uses (see, for example, Ball 1999; Barlow 1999; Barlow & Ball 1999; Barlow & Bhatti 1997; Barlow & King 1992; Barlow & Ozaki 2003). Until recently, there has thus been little evidence in speculative housebuilding of deeper or more fundamental attempts wholly to re-engineer the design process to deliver better designed products.

The standard business model in speculative housebuilding reflects strong competition within the industry and reveals intense pressures to maintain profitability by cost minimisation. Over time, this model has produced two dominant business strategies, namely, those of capturing land and ensuring construction efficiency. Operationally, the immediate concern of speculative housebuilders has been to generate positive cash flow since production times are relatively long and the market for new homes variable (Ball 1983). This means that speculative housebuilders must effectively manage the conflicting pressures of acquiring land, generating sales revenue and controlling production costs.
In this section, we explore how these factors have shaped the way housebuilders operate through instilling land acquisition and construction efficiency as a means of competitive differentiation and profit maximisation. We argue that, as a result, design is not intrinsically of strategic interest to most speculative housebuilders.

The critical importance of land in speculative housebuilding

Although land is the housebuilding industry’s principal resource in the UK, the planning system controls its access and limits its supply (Barker 2004). Public sector regulation over the allocation and development of housing land results in an uncertain business environment for speculative housebuilders. The industry therefore allocates much of its resources to searching for, and acquiring, suitable development land and specifically to seeking its control by strategically building up ‘land bank portfolios’. These comprise of development sites that:

- Are in varying geographical locations
- Are of different sizes and uses
- Are of different value
- Deliver different dates of profit realisation
- Have different levels of development risk (and potential reward)
- Have differing development timescales.

This business strategy allows housebuilders to operate their land acquisition activity as a conveyor belt - finely tuned to prevailing market circumstances whilst delivering the current strategic and financial priorities of the particular company. Such flexibility is intended to provide continuity of development and ensure a continuous revenue stream. Essentially, land banking offers corporate stability in an uncertain and risky business environment. Crucially, this strategy also allows housebuilders to capture any inflation in land values during the period sites are ‘banked’. Over time, housebuilders have learned that land is a valuable source of inflationary gain. They may be tempted to delay development if they expect house prices to rise, as this would provide them with a valuable opportunity to secure a substantially increased profit margin on each house.1

Land banking is vital to maintaining output and maximising development gains in speculative housebuilding. Consequently, Barlow & King (1992) argue that good design and environmental quality is seen by most housebuilders as not contributing directly to the profit equation. The result is a ‘land focused’ industry where housebuilders concentrate their competitive behaviour and strategies on land acquisition and cost minimisation as crucial elements of success. As we next discuss, pressure for construction efficiency has resulted in a marked reliance by most housebuilders on product standardisation, reflected in a distinct lack of innovative design capacity.

Design and construction efficiency in speculative housebuilding: the benefit of standardisation

The use of standard house types in residential design is the most marked example of how housebuilders aim to maximise development gains by minimising expenditure at any given level of output. Housebuilders consistently prefer to use standardised building materials and tried and tested construction methods to generate standard house types that can be readily reproduced at varying locations in an efficient and flexible manner (Hooper & Nicol 1999). Standard house types comprise two key elements: the structural footprint and the structural façade. By applying different facades to standard footprints, standard houses can be ‘dressed’ to match the requirements of any site and locality. This is illustrated in Figures 10.1 and 10.2, which shows two different ways in
which a standard footprint for a four-bedroom detached property from the Manor Kingdom product portfolio can be ‘dressed’.

Figures 10.1 and 10.2: These two photographs show how what is essentially the same internal footprint can be presented externally as two different house types. Taken from Manor Kingdom’s Berkeley range, the stone-dressed frontage with dormer windows has been built at Newmacher in the north-east of Scotland, while the rendered frontage with the large bay windows has been constructed at Dunfermline in the central belt of Scotland.
Historically, the use of product standardisation has been popular in the design and development of mass greenfield estates and became a conventional design tool in providing development solutions to such sites. As greenfield sites are typically larger than brownfield sites, have limited constraints below ground or adjacent to the site and have fewer (if any) existing structures to consider in design, housebuilders have been able to treat these sites as blank canvasses in design terms. This means that housebuilders can cram as many houses as possible on to the site in order to generate maximum house sales and drive up the return on capital employed. In the greenfield context, little regard is paid to how the layout of the site relates to the existing or surrounding fabric. Design, both in terms of product and process, has therefore been of limited consideration in most conventional greenfield developments, since improved design was not seen as essential in delivering as many housing units as possible to ensure a healthy and viable development profit.

As this experience suggests, standardisation is compelling to housebuilders since design costs are greatly reduced, supplies purchased at bulk rates, and the logistics of moving labour and materials simplified (Gibb 1999). Standardised house types enable blanket building control approval, which further limits pre-construction costs and enables accurate cost forecasting when land bids are prepared. Using standardised design also means housebuilders can rely on designs known to have sold well in the past and learn which are most successful and popular. Opponents of standardisation have emphasised its inherent inflexibility and called for innovation and better design of new homes built by the private sector. In the next section, we therefore present recent research exploring how far brownfield development has challenged design standardisation among UK speculative housebuilders.

**RESPONDING TO THE CHALLENGE OF BROWNFIELD DEVELOPMENT**

**The research**

The research presented here sought to examine the delivery and implementation of UK brownfield policy through an assessment of changing strategies of speculative housebuilders towards design and development. The conceptual basis for the research was drawn from institutional analysis and from core competence theory within the strategic management literature (Payne 2009).

The empirical research was undertaken in 2006 and conducted in two stages. The first sought aggregate data at an industry level through a postal questionnaire targeted at the largest 104 UK housebuilders (in terms of unit completions) from whom a 46% response rate was achieved. The second captured disaggregated data at the company level through detailed interviews conducted with 10 sample companies operating in Greater Manchester or Central Scotland. The aggregate data provided a general overview of the attitudes, expectations and behaviours of UK housebuilders towards brownfield development. The disaggregated data presented the opportunity to explore firm-specific strategies for design in brownfield development.

The research showed that the brownfield development boom experienced in many British cities since the late 1990s was driven forward by ‘pioneers’ in the industry, who developed alternative and innovative design solutions for brownfield projects. However, these more specialist companies were a relatively small minority of housebuilders, and more than balanced in number by ‘sceptics’ who were inherently reluctant to take on brownfield sites. What made the difference to overall production was the middle group of housebuilders (who can be termed ‘pragmatists’) whose familiar greenfield markets proved increasingly hard to access as planning restrictions tightened and who saw an economic opportunity in switching production primarily to brownfield locations. Figure 10.3 summarises the key features of these three types of housebuilder.
Whereas pioneers were attracted or ‘pulled’ by the market opportunity of brownfield sites, pragmatists and sceptics were driven or ‘pushed’ away from greenfield sites by tighter policy constraints. Crucially, the research found that, while pioneers searched for innovative design solutions, both pragmatists and sceptics worked hard to transfer product standardisation as a key design solution from their greenfield experience to brownfield sites. This was because construction efficiency remained a compelling strategic priority in maintaining an individual housebuilder’s competitive edge. We shall now explain how and why this happened, and evaluate its impact in design terms.

**Construction efficiency and the continuing importance of product standardisation**

Construction efficiency became crucial to the profitability of brownfield development since housebuilders found themselves more constrained by the economics of the land and housing markets than at greenfield locations. This was because on the one hand, land prices had to absorb the costs of ‘abnormals’, such as difficult ground conditions, while, on the other, sale prices for completed dwellings were even more dominated by the second hand market.
The continued importance of construction efficiency ensured that speculative housebuilders, with the exception of the pioneers, still relied on tried and tested conventional methods associated with standard product design in configuring brownfield developments. This did not usually involve the transfer of standard greenfield house types to brownfield locations, but rather the development of standard apartment types that could be positioned in many brownfield locations, with relatively minor façade changes. In design terms, this meant that most housebuilders made little attempt to weave new apartments into the urban fabric but instead expected that fabric to absorb their standard product.

As a result, they were able to reap the conventional benefits of product standardisation, such as controlling construction costs, managing materials procurement and providing the level of construction certainty necessary to reduce the risks of speculative residential development. In short, what may have appeared as significant product innovation by speculative housebuilders (development of urban apartments, rather than suburban houses) belied a determination to avoid process innovation and instead fall back on the embedded culture of standardisation. In management terms, rather than develop new core competencies for brownfield development, the pragmatists and sceptics interviewed opted to transpose across to brownfield locations existing competencies that had been well developed at greenfield sites. As this suggests, most housebuilders operate as minimally adaptive organisations, at least in the short term.

For this strategy to succeed at brownfield locations, housebuilders found that they had to sharpen their skills in both efficient plotting of their product and efficient use of materials. Plot efficiency enabled housebuilders to deliver high-density development, primarily composed of either standardised apartments or townhouses. Crucially, this made smaller brownfield sites more financially viable, generating a higher land offer. As Bridgemere West Scotland (a pragmatic volume PLC) explained, maximising the development potential through higher densities remained central to increasing brownfield revenues and so providing the landowner with a competitive offer. Caledonian Homes, a sceptical Scottish based private volume producer, also emphasised the financial advantage of higher densities:

"… we've made our houses efficient i.e. you get a lot of square footage on quite a small footprint and that allows you to get more sales revenue out of the site and allows you to bid for a greater price on the land - so, in order to get that land, we use construction efficiency to make us finish Number 1 rather than Number 2."

Interestingly, the company attributed its use of standardised design solutions on brownfield sites to the pressure from landowners to receive the maximum value for their sites:

"All the landowner is interested in is maximising their land value; the way to do that is to make houses as efficient as possible and to get as many houses on the site as you can and make the non-developable areas as small as possible. You cram as many on to win the site, and that's the only way of winning it."

Controlling costs by using standardised product designs also meant that housebuilders could manage risk ‘above ground’ while concentrating their efforts ‘below ground’. As Edzell North West, a sceptical volume PLC, for example, made clear: ‘With standard house types, which we’ve used a lot in the past, you know what it costs to come out of the ground, it’s what is in the ground that’s really the issue on brownfields.’

Most housebuilders managed to operate in brownfield locations simply by replicating new types of standard structural footprints, explicitly created for an urban environment. Few saw any real
marketing advantage in bespoke product design. Product standardisation could normally take account of planning conditions that sought to regulate the external appearance of a development simply through façade alteration. This also cleverly allowed housebuilders to tweak their standard products in different urban environments. When required to use local materials by Calderdale Council, for example, Bridgemere North West, a pragmatic volume PLC reported that:

“…we had to use the local stone and put slate roofs on all the units. But that’s fine and we can do that with our standard footprints – we’ve done it before so we know the cost and where to get the materials from. It’s not an issue for us. Our houses can be what you want them to be but we still have that certainty from the standard footprint, we can still control those build costs …”

Since product standardisation had the inherent flexibility to respond to the differing façade requirements, it did not require a homogenous approach to external appearance, even though several brownfield developments by the same company might differ only superficially. Crucially, however, it did not require housebuilders to commission individual or bespoke designs for every brownfield site. As next discussed, such individuality proved the exception, rather than the rule.

The use of bespoke design solutions on brownfield sites

Although most speculative housebuilders still favoured product standardisation, the research found examples of bespoke design solutions on brownfield sites. Nevertheless, bespoke design was far from common, and generally depended both on whether the particular housebuilder was a pioneer, rather than a pragmatist or a sceptic, and on four site-specific issues, namely location, size, target market and the demands of the vendor/landowner.

Only pioneers saw bespoke design as core to their strategy. Vision Construction, a North West based pioneering regeneration specialist, made clear that because it was “…quite tuned into design”, it realised the value of good design and therefore “…it’s quite a strong part of the delivery of our developments”. This company developed a bespoke design solution around the unique demands of each brownfield site. Factors considered in doing so included topography, existing urban fabric, existing on-site structures, ground issues such as contamination and existing foundations, market demands and expectations, and the local authority’s wider regeneration initiatives. As a result, Vision Construction claimed that it:

“… can recognise an opportunity without having to think about what design might go on there and quite often we are quite committed to an opportunity before we go out to a competition to select an architect and that’s really when a design starts. So we are quite often committed to an opportunity with no real preconceptions of what’s going to go on there.”

To achieve this, Vision Construction drew on in-house skills to conceptualise their initial aspirations for any development opportunity, and then commissioned external architects to make that conception a reality.

Although bespoke design was largely the province of the pioneers, the research found that some pragmatist builders had begun to recognise the potential contribution of bespoke design to the success of brownfield development. Lothian Homes, for example, a pragmatic privately-owned volume builder based in Scotland, made clear that:

“… in some ways, the good thing about a major regeneration area is you’re often less constrained by surrounding buildings, because there often aren’t any. So if you are building a new development right in the middle of the city centre, whatever you design there would have to fit in with all the
surrounding buildings around it and that quite often kind of half designs it for you, in terms of its height, its materials, its colour, its access, everything else. Whereas if you are doing something major in a big area then there’s a bit more flexibility for setting a new sort of design criteria for that area.”

Pragmatists, however, tended to reserve bespoke design solutions for brownfield sites in prime or prominent locations, typically in city centres. As Arden West Scotland, a pragmatic volume PLC, explained: “…we tend to use bespoke only on ‘prime’ city centre sites … The choice of using bespoke is not a result of the land, it’s more the location of the site.”

Speculative housebuilders almost always approached bespoke design by commissioning externally based skills. These typically included architects for design, and construction companies contracted to build the development. Edzell North West, a sceptical volume PLC, stressed that importance of the external skills to bespoke developments: “With bespoke, everything is externally designed. There is no direct involvement – it’s a contractual relationship between the architect and sub contractor.”

By definition, bespoke developments required housebuilders to think afresh about the key design challenges of each site such as density, storey height, and requirements for open space, rather than merely apply what has seemingly worked elsewhere. Caledonian Homes, a sceptical Scottish based private volume builder, highlighted the implications of these challenges:

“They … gave us build problems in coordinating design and construction. It needs fairly close project management skills to make sure that everything is coordinated whereas with our standard house types, we know we can deliver them in X number of weeks. Bespoke are a lot longer and more complicated – we don’t know if we will be doing any more of them.”

Edzell North West explained how difficult it was to make bespoke development work at first “…in terms of its financial efficiency and viability” in comparison with standardised approaches. As the company commented: “Bespoke developments are challenging, as everything is different. We’re a volume producer and we’ve had the difficulty of getting it right first time and being as efficient.”

Figure 10.4 summarises the distinction between standard and bespoke design in speculative housebuilding. As this section has shown most speculative housebuilders have successfully transposed their conventional competencies of product standardisation on to brownfield sites. They have sought to adjust their standard designs to the individual demands of brownfield sites through changing the façade rather than developing a bespoke unit. With the exception of regeneration specialists, bespoke design solutions have generally proved too challenging for an industry culturally used to the delivery of standardised solutions. The failure of speculative housebuilders to fully embrace bespoke design solutions on brownfield land is reflective of their heavy reliance on tried-and-tested methods of residential design, and raises important policy questions to which we turn in the final section of this chapter.
FIGURE 10.4 - Comparing Standard and Bespoke Design in Speculative Housebuilding

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<th>Advantages To Developer</th>
<th>Standard Design</th>
<th>Bespoke Design</th>
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<tbody>
<tr>
<td></td>
<td>• Standard products for standard locations, achieving blanket building regulation approval</td>
<td>• Developmental kudos and positive marketing</td>
</tr>
<tr>
<td></td>
<td>• Standard layouts and construction methods ensuring bulk purchasing of materials and greater certainty in build cost</td>
<td>• Opportunity to learn new design skills for future use</td>
</tr>
<tr>
<td></td>
<td>• Construction does not require highly skilled labour</td>
<td>• Enables broader range of sites to be considered for acquisition</td>
</tr>
<tr>
<td></td>
<td>• Delivers house types known to have sold well in the past</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Facilitates competitive land bids and selling prices</td>
<td></td>
</tr>
<tr>
<td>Advantages To Society</td>
<td>• Helps fulfil purchaser’s desire of suburban dream home</td>
<td>• New development can be better suited to its place context</td>
</tr>
<tr>
<td></td>
<td>• Creates resalable products that can be readily valued for loan purposes</td>
<td>• Broader range of new development types available to purchase</td>
</tr>
<tr>
<td>Disadvantages to Developer</td>
<td>• Creates reputation for poorer quality insensitive design</td>
<td>• Can be very costly and therefore risky</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Can involve unknown contacts, materials, and markets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Resource intensive, requiring greater management input and often more highly skilled labour</td>
</tr>
<tr>
<td>Disadvantages to Society</td>
<td>• Produces monotonous repetitive development that pays no regard to place context</td>
<td>• Potentially makes new housing more expensive</td>
</tr>
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</table>

CONCLUSION

The research presented in this chapter is consistent with the CABE audits suggesting that the well-publicised award-winning residential developments of recent years, while very welcome, are not representative of the new homes constructed by speculative UK housebuilders during the first decade of the twenty-first century. Indeed, apart from a small minority of pioneer developers and pioneering schemes, the embedded culture of standardisation remains prevalent within the industry, and moreover appears to have been successfully transferred from greenfield to brownfield locations. Government policy may well have succeeded in encouraging a brownfield building boom of high density apartments but the evidence from this study and elsewhere suggests...
that design quality has not generally been enhanced, and indeed, may well have suffered as an unfortunate side-effect of the building boom, to the long term detriment of urban sustainability.

When faced with an apparent reduction in their ‘opportunity space’ developers turned to skilled designers only on a temporary basis to provide them with the necessary, but initially more complex, standardised apartments that subsequently could be reproduced from location to location with limited further design input. In this sense, tighter regulation caused most housebuilders to invest in design capacity only to the extent that it enabled them to broaden their standardised products. This strategy then enabled these housebuilders to ‘reclaim’ any opportunity space that might have been permanently ceded to designers, if bespoke development had become more commonplace at brownfield locations.

In many areas, the strategy has resulted in mundane and disconnected brownfield residential developments which contribute quantitatively to Government housing and brownfield targets but, qualitatively, do remarkably little to create sustainable communities. Only in city centres does bespoke architect-designed development appear to be common. Elsewhere, despite the superficial impression of innovation, the depressingly familiar speculative housing process remains largely unchanged, even though it may temporarily be masked by what may seem, from external appearances, to be new housing products.

Does this reflect a general failure of policy instruments that have sought to achieve better quality residential design through shaping and regulating developer behaviour more effectively? Despite particular achievements, there is no sense from our research or from the CABE findings that any fundamental change towards design has occurred in the embedded culture of the industry. It would, however, be simplistic to write shaping and regulating instruments off without further examination. Two points are relevant here. First, fundamental changes in policy directions may take several years to have any serious impact, especially if the business environment they seek to influence is as strongly path dependent as the speculative housebuilding industry. Design achievements, such as those recounted by Hall (2007) at Chelmsford (see Chapter Four), where strong development pressure and a determined local planning authority forced speculative housebuilders to make a step change in design quality, may need to be widely replicated before having any lasting impact on embedded cultures among housebuilders. It is thus too early to judge the success of the policy shift towards better quality residential design, especially at the end of a long boom. The design quality in speculative development that eventually emerges from the recession might be a fairer long-term test of policy success.

Secondly, the evident policy desire for better designed housing was not necessarily consistent with other policy objectives pursued simultaneously, namely to shift the balance of new housing development strongly towards brownfield locations and, after the Barker Review (2004), significantly to increase the total number of new dwellings built each year. Both appeared to prioritise quantity over quality - on the one hand by bringing forward marginal and often poorly located brownfield sites for housing that would probably better have been developed for other purposes or greened up and, on the other hand, by stretching the capacity of the housebuilding industry to deliver increased output at a time when skilled construction labour (both professionally and manually) was in short supply. Our argument here is for, first, the integration of design policy with other relevant built environment policies and, second, for those who advocate stronger design regulation to be as concerned about its implementation as formulation. Thus in answer to the first of our research questions posed earlier, there is certainly potential in design policy that seeks to shape and regulate developer behaviour (as witnessed by the exemplary schemes evident in our research and by the award-winning CABE developments), but how far that potential is realised
depends on the extent to which design policy is consistently integrated within an overall policy regime.

One disturbing aspect of this story, however, concerns the extent to which design regulators may have believed in their own success at the same time as those whose activities are subject to regulation made determined efforts to evade the full force of that regulation. In the case studies, what may have seemed to planners to be bespoke apartment developments, specifically designed for their own locality, were merely clones of the company’s standardised product that had previously been built in the next door locality, albeit with the trappings of a slightly different façade. This raises the important concern of whether a regulatory approach can ever be fully effective in encouraging creativity and individual flair. Here, we turn to answer the second research question posed earlier. Although there is much still to be achieved by the Building-for-Life initiative, its emphasis on developing capacity for better design within the industry, and indeed among regulators as well, may well have a more fundamental impact in the long term than its mere reliance on market regulation and shaping. In fact, all three may need to work together if embedded cultures within the housebuilding industry towards design are ever to be transformed but the message from this research is that capacity building needs to be regarded as of equal, if not greater importance in design policy as shaping and regulation.

NOTES

1 While this may not be the most effective business strategy during the current recession, it does explain how housebuilders have conventionally made a large proportion of their historic profits.

2 For reasons of confidentiality, we use pseudonyms rather than real company names to report data from the interviews.