

Self-build and Custom Housebuilding (SCH) User Guide

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Introduction

1. This Self-Build and Custom Housebuilding (SCH) User Guide provides guidance for the consideration of planning applications that include SCH, primarily in relation Policy HOU5 Self-Build and Custom Housebuilding.
2. SCH is legislated for in the Self-build and Custom Housebuilding Act 2015¹ (as amended) (the 2015 Act). The Act places three legal duties on local authorities:
 - To hold a register of individuals who are seeking to acquire serviced plots of land for their own SCH home (section 1),
 - To have regard to the register when carrying out its functions relating to planning, housing, land disposal, and regeneration (section 2), and
 - To grant enough planning permissions for SCH housing to meet the demand on the register (section 2A).
3. SCH is defined in the Self-Build and Custom Housebuilding Act 2015 as:

“the building or completion by—

(a) individuals,

(b) associations of individuals, or

(c) persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals”
4. In considering whether a home is a self-build or custom build, local authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout. It does not include the building of a dwelling or plot mainly to plans or specifications decided or offered by the developer. The purchaser must have an input in designing the property.
5. The 2015 Act makes clear that homes built wholly or mainly to plans or specifications decided or offered by someone other than the initial occupant are not custom or self-build homes. In other words, the initial occupant must have the primary input into the final design and layout of the home. The 2015 Act also requires SCH to be occupied as a sole or main residence.
6. The NPPG includes:

In considering whether a home is a self-build or custom build home, relevant authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout.

¹ <https://www.legislation.gov.uk/ukpga/2015/17/contents>

Off-plan housing, homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer, are not considered to meet the definition of self-build and custom housing.

Paragraph: 016 Reference ID: 57-016-20210208

Types of Self-build and custom housebuilding

7. **Self-build projects** are defined as those where someone directly organises the design and construction of their own home. This covers a wide range of projects from a traditional DIY self-build home to projects where the self-builder commissions a company to build their home to their specification. Relevant community-led projects can also be defined as self-build.
8. **Custom build homes** are where an individual or group works with a developer to deliver customised or bespoke homes. The developer may secure the plot, manage the construction of an external shell, and then work with the individual to tailor the external design and internal layout to match the individual's requirements.
9. **Table 1** sets out some common types of SCH housing and how they qualify as SCH housing.

Table 1

Level of Control	Type of SCH housing	Definition	What makes it compliant with regards to the 2015 Act?
High Degree of Customisation	Self Build		
	Do-It-Yourself (DIY)	Housing whereby the initial occupants undertake all or the majority of the design, project management, and construction work themselves.	Initial occupants retain all decision-making powers in the design, layout and delivery of their home.
	Self-commissioned	Housing whereby the initial occupants commission professionals to undertake the design, project management, and construction works on their behalf.	Initial occupants retain all decision-making powers in the design, layout and delivery of their home.

	Hybrid SCH		
	Group SCH	Housing whereby groups of households come together as intentional communities to design and deliver, or commission professionals to design and deliver, housing which they will live in. Co-housing usually also involves an element of communal living, such as for example a communal building within the housing development and/or communal amenity space shared by all residents.	Initial occupants may have to compromise to some extent on their individual preferred design and layout choices in order to agree the design and layout of their house and wider development with a group of households. However, the initial occupants will be involved in the design process and retain decision making powers from the outset and be able to veto design options they do not support.
Lower Degree of Customisation	Custom Build		
	Choice of pre-approved designs	Housing whose design and layout is chosen by initial occupants from a set of pre-approved, customisable design options in a design code offered by the site wide landowner, developer, or specialist developer often known as an SCH enabler. The Design Code can form part of the documents approved either at Outline or Reserved Matters stage.	Initial occupants will usually not be involved in the preparation of the design code and therefore will have no input into the house design options. It is therefore of critical importance that the pre-approved designs offer a substantial degree of design and layout customisation for initial occupants.
	Serviced Plot Model	The occupier of a new home is given the opportunity to purchase a serviced	Similar to Self-finish/Shell home/Golden Brick sales models, with greater

		plot of land with planning permission to construct a new home designed within a set of pre-agreed parameters, often facilitated by a Design Code, or similar design guide which manages the permissible house design, tenure, size and specification on each plot.	customisation by the occupant as there is limited to no input from the developer, except with certain elements such as an agreed Design Code.
	Self-finish/ Shell home/ Golden Brick sales	Housing built as a watertight shell by a developer, the internal layout of which is then designed and finished by the initial occupant. Self-finish housing will usually not provide initial occupants with an input into the built form and external appearance of the home.	To qualify as SCH housing initial occupants must have complete layout customisation (i.e. location and design of all internal walls, rooms, staircases), and ideally ceiling heights and external design customisation (e.g. materials).

Acceptable methods of custom housebuilding – What normally is and is not considered SCH

10. **Table 2** below provides examples of a range of customisation options which are acceptable to meet the definition of a custom build property based on The Right To Build Task Force's Good Practice Guidance². This provides an indication of acceptable options, rather than an exhaustive list. Developers are encouraged to be creative in customisation opportunities and discuss this with the Council if they are unsure if the customisation options are acceptable.

²

https://righttobuild.org.uk/editorial_images/page_images/featured_images/planning_good_practice_guidance/defining_self-build_and_custom_housebuilding/PG1v2.pdf

Acceptable Customisation Opportunities – Normally <u>is</u> SCH	Insufficient Customisation Opportunities – Normally <u>is not</u> SCH
<ul style="list-style-type: none"> • The plot (possibly at Golden Brick) is purchased separately from the property • Customisation extends beyond internal items such as kitchens and bathrooms. Examples of acceptable customisations could include: <ul style="list-style-type: none"> ○ Massing and building envelope within a design code ○ Roof form and external architectural style ○ Materials palette (walls, roof, cladding) ○ Window/door configurations • Customer choice is actively promoted as a positive part of the build process • Established processes exist to allow third parties to deliver and install options during the build. These may include separate but related build contracts or support for purchasers to compliantly self-finish their homes. 	<ul style="list-style-type: none"> • Properties are fully integrated into a site involving speculatively built homes, and largely indistinguishable by nature of their design. • The sales process and branding are essentially the same as for speculatively built houses on the same site. • Greater choice is provided to finishes, and, in some case limited layout changes, but only because these are off-plan sales and/or ‘early bird’ purchases. • Choice is limited only to the developer’s choices and only minimal price reductions are made for different customer options. • There is no separation between the sale of the plot (land) or an established process for potential buyers’ parties to deliver their own homes either by working on their own or working with others.

Serviced Plots

11. The Housing and Planning Act 2016 amended the Self-build and Custom Housebuilding Act 2015³ to define a serviced plot of land as:

³ <https://www.legislation.gov.uk/ukpga/2015/17/section/5>

a plot of land that (a) Has access to a public highway and has connections for electricity, water and waste water, or (b) Can be provided with those things in specified circumstances or within a specified period;

12. All serviced plots (Self or Custom-Build Units) are required to have appropriate means of connection to electricity, water, and drainage supply and with means of access to and egress from the nearest highway.
13. It is recommended that plots have access to a construction compound/s and material storage area/s.
14. Early engagement with infrastructure providers is recommended, including phasing in delivery of access via service roads to the plots on large sites to avoid complications later in the development process.

Phasing

15. SCH housing is recommended to be delivered in individual plot phases to ensure that:
 - a) SCH housing is delivered in a timely manner,
 - b) SCH plots do not unnecessarily hold back later development phases, and
 - c) SCH plots are not required to deliver any part of the site wide infrastructure.
16. When designing the layout of plots against other types of housing, delivery should be phased in a way which best enables access and servicing of SCH plots, avoids conflict with the main developer for delivering other types of housing and respects safety and security. It should also respect the wider site with regards to occupier amenity.
17. Developers should aim to avoid a situation whereby the commencement of housebuilder homes is prevented until SCH homes have been sold or completed. The phasing plan should therefore separate, for example, the housebuilder phases from SCH housing phases and ensure that the commencement of housebuilder phases is not dependant on the completion of any SCH housing phases.
18. For large sites, SCH housing is recommended to be marketed in phases rather than in one go as there is a risk of many plots being unsold due to oversupply at a point in time.
19. A phasing plan is recommended where sites are delivering multiple SCH homes. The phasing plan can be submitted prior to, or in conjunction with, the first reserved matters application.

Design Codes

20. A Design Code is a form of design guidance that assists with the delivery of high-quality new developments and is particularly useful for complex scenarios involving multiple parties. A Design Code is a set of written and visual directions that translates the aims and vision of a masterplan into a specific set of detailed design parameters without establishing the overall outcome. This can give stakeholders, designers, developers, and contractors more certainty and help to create high quality places.
21. Design codes play an important role in the delivery of SCH housing, in maximising the level of design freedom for initial occupants while demonstrating a coherent and high-quality development that responds to its context.
22. It is recommended that for SCH projects (whether as a freestanding scheme or SCH plots within a larger developer led scheme) to be accompanied by a design code; and design parameters are required for smaller developments, except where a FULL application is made for a single plot planning application, with full designs included.
23. The Design Code can form part of the documents approved either at Outline or Reserved Matters stage.
24. Where there is no design code agreed, reserved matters applications for individual plots will be considered on their own merits and in accordance with the Local Plan and Design Guide policies.
25. As a general rule, in preparing a design code the starting point will be to secure as much design freedom for the initial occupant as possible and only fix design parameters where demonstrably necessary. Consideration should also be given to the cumulative effects of design code parameters to ensure that when taken together the parameters do not unnecessarily restrict design freedom and initial occupants have the main input into the design and layout of their home.
26. Design parameters addressed in a design code should be capable of being measured and assessed. Design codes can address (fixed, ranges, or total freedom) the following parameters:
 - a) Layout
 - b) Plot size and shape
 - c) Developable footprint
 - d) Building height or number of storeys
 - e) Orientation
 - f) Landscaping
 - g) Boundary treatment
 - h) Material palette
 - i) Number and location of car parking and cycle storage spaces
 - j) Refuse storage
 - k) Construction compound and materials storage area/s.

Plot Passports

27. Plot passports are concise and visual documents that provide potential SCH plot purchasers with the key design and development parameters that should be abided by in the design and construction of an SCH home on the plot. Their purpose therefore is to provide certainty as to what can and cannot be built on the plot.
28. Plot passports are recommended to be produced for all SCH developments when a Design Code is prepared.
29. Plot passports should be concise by providing a number of key details such as:
 - a) Plot location,
 - b) Plot size and shape,
 - c) Developable footprint (Gross Internal Area),
 - d) Building height or number of storeys,
 - e) Number and location of car parking and cycle storage spaces,
 - f) Refuse storage,
 - g) Any other design and development parameters established in the design code (if any),
 - h) Likely ground conditions, including any on-site constraints such as root protection zones,
 - i) Servicing infrastructure location,
 - j) Construction compound and materials storage area,
 - k) Plot price, and
 - l) Access to surveys conducted by the site wide applicant
30. Plot passports can also contain information relating to the plot sales process, and planning application process (if any).
31. Plot passports should be prepared as early in the design and planning process as possible and should be available to potential plot purchasers as soon as plots are marketed.

Marketing Details

32. The marketing of serviced plots shall be conducted in accordance with an agreed scheme. The requirement of the scheme will be secured within the S106 legal agreement and is normally secured at outline stage. The scheme will require the marketing of plots for a minimum of 12 months unless otherwise agreed in writing by the Council.
33. This provision is to support those on Part 1 of the Council's SCH register who have met the Local Connection Test⁴ (see FAQ 4 for definition) by enabling the Council to notify them about the opportunity to purchase an SCH plot, which

⁴ <https://www.stalbans.gov.uk/self-build-and-custom-housebuilding>

ensures that the Council is fulfilling its legal obligations to deliver SCH based on the demand on its Register. It also ensures that if there is no uptake from the Register, that the SCH plots are marketed to those who are interested in SCH opportunities, who are not aware of the Register, but wish to undertake SCH.

34. Details of marketing should be submitted by the applicant and agreed in writing by the Council prior to the marketing and sale of plots.

As a general guide, this should include:

- a) Details of marketing materials. Good quality visual information should be made available, such as drone photos/videos, website content, and inspiration brochures to aid marketing.
 - b) Details of marketing and promotional methods. This should include social media; website advertising; database marketing; and information packs as a minimum.
 - c) On-site signage. As a minimum the serviced plots should be promoted as plots for sale with signage at the site entrance and by the plots themselves. Information should be displayed at each plot which includes as a minimum the plot number and plot passport information. QR codes are encouraged to provide quick access to further information. Plots should be clearly demarcated and be in a clear and tidy state. Main site developers should set out methods to enable potential plot purchasers to gain safe access into the site to view the plots.
 - d) The price that each SCH plot will be advertised for including valuation methodology, derived from an experienced local RICS registered valuer who ideally has experience of valuing SCH housing
 - e) The contact details for the marketing agent. The agent should be experienced in selling SCH plots;
 - f) Signposting to specialist SCH mortgage brokers;
 - g) Information on 'Help to Build' and any similar initiatives to assist SCH builders;
 - h) The site visit arrangements;
 - i) The plot passport for each SCH plot;
35. It is also recommended to provide details to the Council so that demand can be understood better, however this may also form part of a S106 requirement to demonstrate that active marketing has taken place for an 12 month period before the plot reverts to market or affordable housing. For example, developers can provide:
- a) date of enquiry;
 - b) nature of enquiry;
 - c) whether the enquirer visited the site; and
 - d) reason/s why the enquirer did not purchase the plot or find it suitable.
36. For large developments providing a percentage of dwellings as SCH homes, it is recommended that a small number are marketed at any one point in time. This is

to avoid flooding the market with a large number of plots, increasing the risk of unsold plots after the marketing period of 12 months has elapsed.

Recommended process after 12 months marketing resulting in unsold plots

37. If a sale has not been agreed during this period, it may be possible to build the plot out as an open market or affordable home in line with any requirements of any planning conditions and section 106 agreements.
38. Evidence would be required to be submitted to and agreed by the Council to demonstrate that marketing requirements have been fully complied with and the sale of the SCH plot/s has not been agreed within the minimum 12-month marketing period.

Evidence to be provided to the Council may include:

- a) Dated details of published marketing material
- b) Dated estate agent instructions
- c) Dated social media posts
- d) Dated correspondence with Council in respect of marketing to those on the Council's SCH housing register
- e) Dated records of sales enquiries and outcomes of those, and
- f) Dated changes in sales price

Local Plan Policy Requirements

HOU5 – Self-Build and Custom Housebuilding

With regard to Self-build and Custom Housebuilding the Council:

- a) Requires that on Broad Locations and housing sites with a capacity of 100+ dwellings 3% of the total number of homes be provided for Self-build and Custom Housebuilding; with the exception of otherwise acceptable entirely flatted urban schemes;
- b) Encourages Self-build and Custom housebuilding for residential development proposals of 10 homes or more (Use Class C3) in suitable, sustainable locations;
- c) Will seek a mix of Self-build and Custom Housebuilding plots to be made available as informed by the Council's Self -build and Custom Housebuilding Register; and
- d) Expects that where plots have not been sold, it must be demonstrated that they have been made available and appropriately marketed for Self-build and Custom Housebuilding purposes for at least 12 months before being built out by the developer for market housing.

S106 Legal Agreement

39. To ensure the delivery of serviced plots to self and custom builders the Council will require developers to enter into a S106 agreement that will include the minimum requirements for SCH including timescales and phasing of plots delivery, appropriate marketing of plots to self and custom builders and length of time after which unsold plots will be returned to the developer.
40. The SCH plots will normally be secured through a S106 legal agreement which will detail the requirement for self-build and custom housing. The S106 legal agreement will state rounding up to the nearest whole number will be applied when the requirement does not equate to a whole number.
41. **Table 3** sets out an example of a S106 Agreement.

Table 3

S106 requirement	Stage of Process
Not to commence development on self-build and custom build plots until the Local Planning Authority (Council) has approved the SCH Scheme.	Typically to be provided at reserved matters stage; or when a full application has been approved
Make available as first option plots to those on the Council's Self-build and Custom Housebuilding Register by notifying the Council in writing by emailing planning.policy@stalbens.gov.uk providing details of the plots for sale and lead contact before undertaking a wider marketing strategy no later than 14 working days after the Council has initially been notified.	Typically, Council to be notified after planning application granted as part of the process of meeting the requirements of the SCH Scheme, however notification earlier in the process is encouraged.
Undertake the marketing in accordance with the SCH Scheme for a period of 12 months and notify the Council in writing of the start date.	Part of the process of meeting the requirements of the SCH Scheme.
If plots remain unsold after 12 months, provide evidence to the Council regarding demand/interest and how the marketing strategy has been complied with. The owner can then seek approval from the Council to convert the SCH Plots to Market Dwellings and/or Affordable Housing, such approval not to be unreasonably withheld.	12 months after marketing has commenced.