

# UK govt to make self build homes exempt from infrastructure levy

Proposed changes in the UK could save self builders thousands of pounds by ensuring they are exempt from paying a levy charge that must be paid for all new buildings over a certain size. Reported in excellent article by [propertywire.com](http://propertywire.com) on Tuesday, 16 April 2013. The government says it is committed to helping more people achieve their aspirations of owning a home and wants to help boost housing supply by making self build housing a mainstream option.

The proposed relief from paying the Community Infrastructure Levy would cover homes built or commissioned by individuals, families or groups of individuals for their own use and that will be owner occupied.

'For too long self build homes have been seen as an option for only a privileged few and we are determined to change that with proposals that have the potential to save self builders thousands of pounds,' said Planning Minister Nick Boles.

'Our proposals would ensure that self build homes are exempt from this levy and will make an enormous difference to people looking to realise their dream of buying a plot of land and getting a builder to build them a home. We urgently need to build more homes and the proposed changes to the levy will help increase housing supply and help those businesses keen to grow,' he added.

Housing Minister Mark Prisk said that he is determined that anyone who wants to build their own home should have the opportunity to do so. 'That's why on top of the £44 million funding we're making available to help aspiring self builders and local community groups to get their projects off the

ground, this new proposal will ensure these small and bespoke projects do not incur large infrastructure bills through the levy,' he explained.

'This package of support, combined with the advice available from leading self build organisations, will ensure those looking to build will have the information and help they could need at their fingertips,' he added.

The thinking behind the strategy is that single build homes have far less impact on infrastructure, whereas larger developments are likely to have more of an impact on an area from the cumulative effect of their building. Along with helping people build their own home other proposed changes to improve the levy system will also benefit councils and developers.

The Community Infrastructure Levy allows councils to raise funds from developers undertaking new building projects in their area. The money raised is used to fund the infrastructure needed to support the development and to support local communities.

Ministers said that they believe that the changes will make the levy fairer, faster, more certain and more transparent.

The levy already provides developers and landowners with more certainty 'up front' of how much money they will have to contribute towards infrastructure. New proposals include changes that will ensure councils provide greater clarity on how they have set the proposed level of levy and more transparency about what developers will be charged.

They will allow councils to accept levy payments in kind from developers providing infrastructure instead of cash or land to ensure timely delivery of infrastructure and ensure that where planning permission is phased, levy payments are also phased to help get development underway as soon as possible.

The proposals will also enable councils to make discount

market sale housing exempt from levy charges and remove the current vacancy test meaning the levy will not generally be payable on buildings that have been vacant for a certain amount of time but are being refurbished or redeveloped to bring them back into productive use. The levy would still be payable on abandoned buildings or vacant buildings being redeveloped with an increase in floor space.

The Community Infrastructure Levy was introduced in 2010 and allows local authorities in England and Wales to charge a levy to fund infrastructure. The Localism Act, and regulations, made under it will reform the levy by requiring a proportion of the levy receipts to be passed to the community where development takes place.