

WOODBUILD WALES 2017 – NEW OPPORTUNITIES & INNOVATIVE SOLUTIONS

Thursday 15th June 2017

Structural Timber frame - the Solution to the Housing Crisis

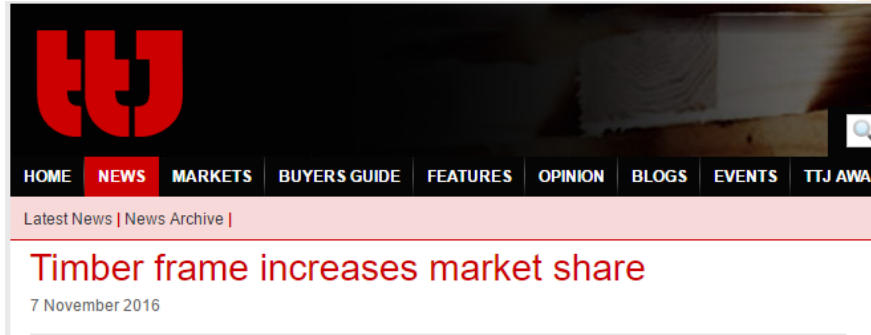
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Agenda

- Government Drivers
- Market Trends
- Member Capacity
- The future



But first a little back ground



Construction Enquirer

News | Jobs | Awards

News

Barratt to ramp up timber frame to one in 10 homes

Wood is taking over from steel and concrete as the architectural wonder material of the 21st century, with architects praising its sustainability, quality and speed of construction.

Government Drivers

- **Housing White Paper**
- **Farmer Review**
- **HCA Accelerated Construction**
- **Home Building Fund**
- **DPP3 – Public Land Releases**
- **Neighbourhood Planning Bill**
- **Presumption in Favour**
- **APPG – Housing Quality**



The Farmer Review of the UK Construction Labour Model

Modernise or Die

Time to decide the industry's future

The critical symptoms of failure and poor performance have been identified as:

- 1. Low Productivity**
- 2. Low Predictability**
3. Structural Fragmentation
4. Leadership Fragmentation
5. Low Margins, Adversarial Pricing Models & Financial Fragility
6. A Dysfunctional Training Funding & Delivery Model
- 7. Workforce Size & Demographics**
- 8. Lack of Collaboration & Improvement Culture**
- 9. Lack of R&D & Investment in Innovation**
- 10. Poor Industry Image**

Recommendation 8: Government should act to provide an ‘initiation’ **stimulus to innovation in the housing sector by promoting the use of pre-manufactured solutions** through policy measures. This should be prioritised either through the conditional incentivisation of institutional development and investment in the private rented sector; **the promotion of more pre-manufactured social housebuilding through Registered Providers; direct commissioning of pre-manufactured housing;** or a combination of any of the above. It should also consider **planning breaks for pre-manufactured approaches.**

Autumn Statement

1. Housebuilding at heart of £23bn productivity fund
2. £7.2bn of new money for new homes
3. Additional £1.4bn for National Affordable Housing Programme
4. This should deliver 40,000 homes
5. £2.3bn housing infrastructure fund to unlock new private homes
6. This should deliver 100,000 homes
7. Double annual capital spending on housing during lifetime of Parliament

A quote from within Barratt Developments plc is that this is the most planning friendly Government they've ever known!

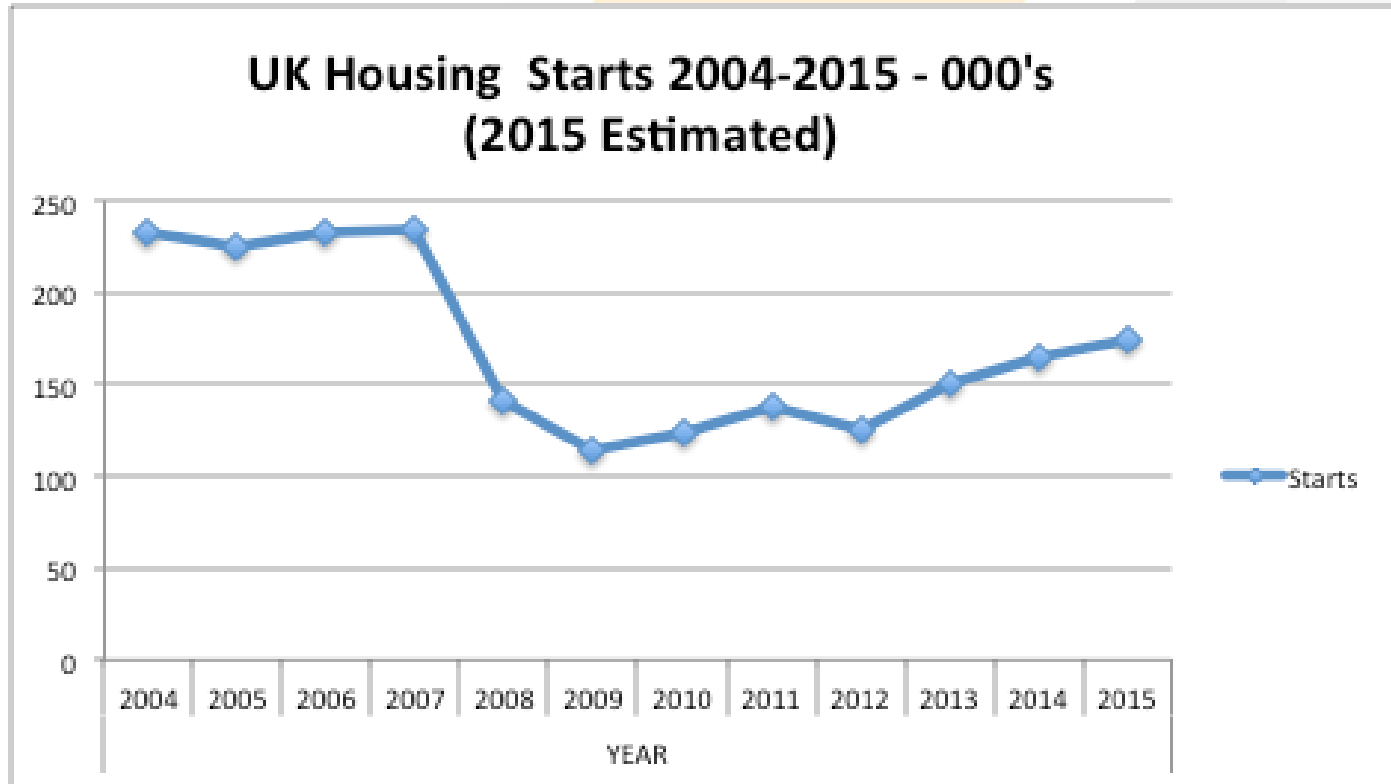
Construction Leadership Council

1. Three main areas of focus
 1. More certain outcomes through digital technologies
 - 2. Improved productivity by increasing offsite manufacturing**
 3. Improved whole life performance of built assets
2. Construction 2025 targets
 1. 30% reduction in the cost of a building
 - 2. 50% reduction in project time**
 - 3. 50% reduction in carbon emissions**
 4. 50% reduction in trade gap between exports and imports
3. Based on 'best practice' from automobile & aerospace industries

Market Trends 2015

- UK Housing starts rise by 8.1% to 176,690
 - England up 7.9%
 - Wales up 5.1%
 - Scotland up 4.4%
 - Northern Ireland up 28.6%
- Timber Frame homes up by 17.0% to 50,355
- Non Timber Frame homes up 3.8% to 128,203
- **Market Share now 27.6%**

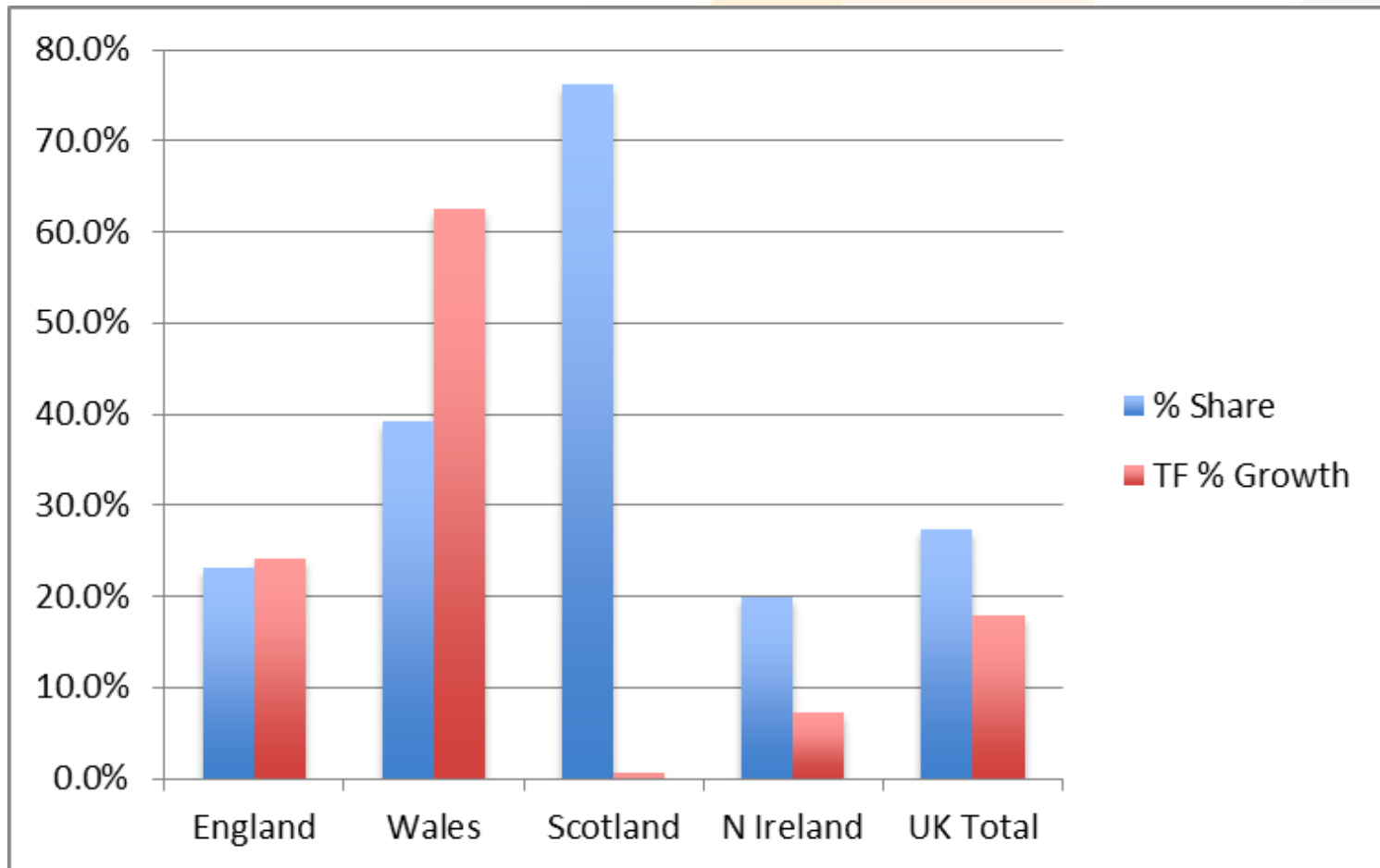
Market Trends



Market Trends



Market Trends



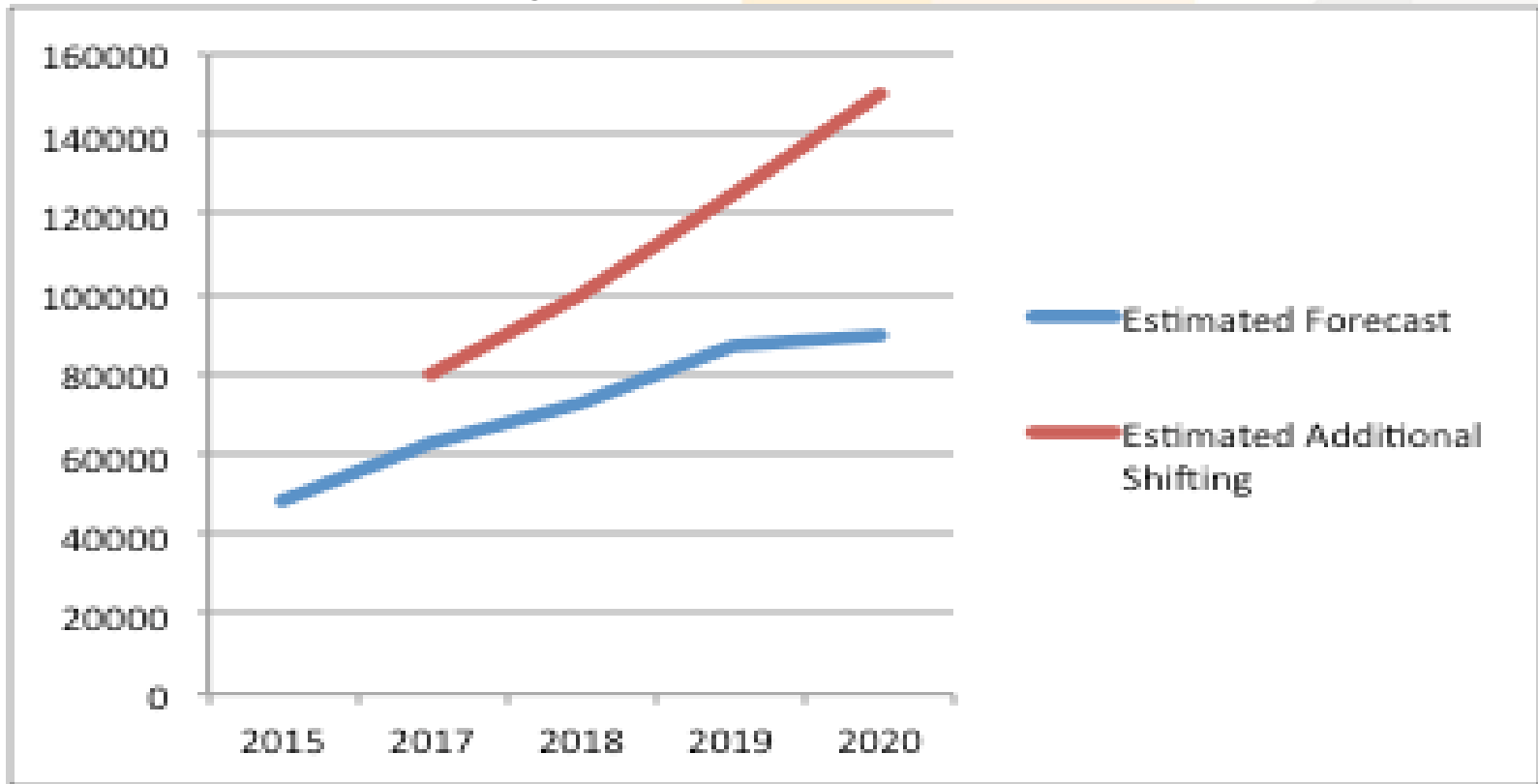
STA Member Capacity Survey

Sample Size

- STA Member Companies 11 responses
- These Companies provide 44% of STA Member Output Volumes
- We only had one week to compile these figures
- Additional funding now in place to expand the survey

Headline Capacity Estimates

Estimated Capacity:



Estimated Capacity in Units & Multiple shifts

	2015	2017	2018	2019	2020
Estimated Forecast	48000	62912	72575	86614	89868
Estimated Additional Shifting		80000	100000	125000	150000

Assumptions:

Estimated Forecast: 2015 = Actual Volumes Produced

2017 to 2020 = Are extrapolated estimates using 2015 as a base year.

Estimated Additional Shifting: = a ramp up over 2017 to 2020 assuming a potential to come close to doubling output during the period

What Would Increase Your Confidence to Invest in Further Capacity?

- More clarity & transparency regarding future demand from both public and private sectors
- More commitment from the client/contracting side
- Collaborative working and Partnering by developers
- Less exposure to risk for the supply-chain T's & C's
- Confidence around BREXIT
- Frameworks that deliver – both public and private sector. They don't at the moment

What Help Can Government Offer

- Speed up Planning Approvals to help site starts
- Make BREXIT a smooth transition
- Limit Regulation
- Support the sector to innovate
- Don't import foreign competition – buy British!
- Make Public Sector Frameworks more than just tick boxes
- Develop a better understanding of how we work in the sector
- Support UK owned SME's to invest and develop – Take a long term view

COMMERCIAL PRIORITIES

- Revised Estimating Guide
- Timber Frame vs Masonry costing exercise with RICS endorsement
- Insurance/Lenders require educating

QUALITY PRIORITIES

- Main focus on STA Assure Scheme
- Timber Frame Competency Scheme
- STA Complaints procedure introduced

STA Response - to timber frame fires

Industry need for guidance on good practice approach to avoid fires during construction

- 16 Steps to Fire Safety (1st edition 2008 – 5th edition 2017)
- Site Safe Policy (started 2010 - update 2017)
- UK Timber Frame Working Group (CFOA, DCLG, HSE, ABI etc.) (established Oct 2010 now part of the fire sector federation)
- Health & Safety Executive HSG 168 (2nd edition Oct 2010) – *for All forms of Construction*

The STA – investing is solutions for the gaps Skills, information, productivity , sustainability and Fire robustness



THANK YOU For Listening

