

PROS AND CONS OF DEVELOPING BUNGALOWS

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Introduction

Just 1,833 new bungalows were built in 2020, a fall of 23% compared to 2019 and less than 1% of new homes built. Twenty years ago, in 2000, there were 9,347 bungalows built.

Research has found that 70% of over-65s would consider moving to a bungalow, an increase from 60% in 2019. This equates to 8.4 million people, an increase of 1.2 million from 2019.

Bungalows are no less desirable, but for property developers and building companies, they have become a lot less profitable, simply because they take up more land and because a single-storey dwelling is rarely going to be as valuable as a two or three-storey home.

Below this paper will identify some of the Pros and Cons of developing bungalows.

PROS

Lower Construction Cost

The main reason for this is the lack of a floor slabs for upper levels. The foundation solution for bungalows tend to be lighter and pillars are way fewer because there is less load to bear. Materials required are also fewer in comparison. All these factors lead to lower cost of construction.

Easier to Modify

Bungalow house plans are much easier to modify and extend. Owners will not have to worry about structural issues and protection of the floors above. These are the best house plans for someone intending to build their home over a long period of time.

Demand

With the UK's population ageing, demand for single-storey homes is likely to grow.

Lower Car Use

Lower car use due to likely demographic (not working, no families).

CONS

Land Utility and Value

This is perhaps the biggest drawback sited when it comes to bungalow house plans. With bigger foot prints, bungalows occupy a lot of land. Bungalows aren't the most valuable use of a building plot. Developers get far more value from a two or three-storey building than you could get from a bungalow.

Last year, the government put the average price in England per hectare of land - with permission to build on - at £6m. Meanwhile, the UK's population is projected to increase to 74.3 million by 2039, which is likely to make land even more costly.

Smaller Rooms

Bungalows are associated with smaller rooms mainly because of land constraints. To make them work when plot size is a constraint, owners have to contend with much smaller spaces.

Reputation/Appeal/Security

Bungalows are associated with classic designs which may not be as attractive in this age of modern construction. Many people tend to think of bungalows as old school and not as appealing.

Security is another issue associated with bungalows. All windows and doors are accessible from ground level increasing points of security weakness by a large margin.

Design

Sole development of bungalows can see poorer streetscape due to low height and lack of variety.

Implication for Middlesbrough Council

Through the Nunthorpe 19 Commitments, the Council have agreed to an overall development at Nunthorpe of no more than 250 units, even though the Design Guidance for Nunthorpe Grange alone identified the site could accommodate closer to 350 units. This means that already the Council have accepted a reduced land value and projected loss of annual Council Tax revenue for the site by removing 100 units from the potential development opportunity.

Should the Council as landowners market sites with conditions that all, or a proportion of the site must include bungalows development, land value would likely be further affected due to the financial viability and the impact of increased land take associated with bungalow development in comparison to plot sizes occupied by traditional two storey building plots.

However, one-and-a-half-storey bungalow designs are less physically imposing than a two-storey building and because of this they are often considered a better fit for rural settings, or set on plots among traditional single storey bungalows. In addition, from an aesthetic standpoint, the external structure of a one-and-a-half-storey building can add character due to its greater roof-to-wall ratio, attractive dormers or a windowed gable end and therefore may appear more saleable in the open market than traditional single storey bungalows.

The impact of incorporating single storey Bungalow development within the proposed Housing Masterplan for Nunthorpe would result further loss in residential units across the site. From a viability perspective, the incorporation of bungalows would also have further significant financial impacts on the Council's medium term financial plan, as the potential capital sums that could be generated by the Council through the disposal of land at Nunthorpe would likely be reduced by @ 30% if open market provision of bungalows is sought by the Council in preference to traditional two storey market housing.

Recommendation

Should the Council insist upon developing bungalows at Nunthorpe Grange, it is likely to see further impacts upon its medium term financial plan projections and the site could become unviable or not attract best value.

It is proposed that the Council will look to encourage development of bungalows at Nunthorpe Grange through its marketing particulars, but due to best value considerations, it will not insist upon any prospective buyer to include bungalows within its proposals.