



Department for Levelling Up,
Housing & Communities

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Rt Hon Michael Gove MP
*Secretary of State for Levelling Up, Housing
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Dear Andrea,

The Levelling Up White Paper set out the Government's ambition to improve lives and expand opportunities across the whole United Kingdom. A vital component of this is making sure we have a housing market which can deliver the homes we need.

The housing market has shown great resilience in the face of huge challenges in recent years, but it is clear the housebuilding industry is not consistently delivering the beautiful, high quality homes that consumers want in sufficient quantity and at the prices they can afford. For most families, buying a home is the biggest investment they will make in their lifetimes, so ensuring it meets their needs is of the utmost importance. Consumer choice has been impacted significantly by the financial crisis, with SME builders' share of the market having more than halved since 2007 and the level of market competition variable across the country.


I would therefore welcome the Competition and Markets Authority (CMA) undertaking a review into the housebuilding market. The last study on the housebuilding market was in 2008, delivered by the Office of Fair Trading. Since then, Government and consumer expectations of the sector have changed significantly: ensuring the housing sector makes its contribution to achieving net zero; delivering a radical overhaul of building safety in the wake of the Grenfell tragedy; as well as responding to significant shifts in consumer needs (for example, changing population demographics) and capitalising on technological improvements such as modular construction. A diverse and competitive market is imperative to be able to increase output and to meet the high expectations consumers rightly have of the housebuilding market, so I am particularly interested in the barriers that SMEs face in entry to and expansion in the market, including the role that the land market and planning system play in these dynamics, and whether the market structure is holding back innovation – for example in construction methods- and constraining supply.

Since the last review, the Government has also taken significant steps to give consumers greater say over the homes in which they live. The constitution of the New Homes Ombudsman, legislated for in the Building Safety Act, will give consumers a route of redress where developers fall short. The Levelling Up and Regeneration Bill,

will reform the planning system to provide communities with more say over new developments in their area. In addition, we have launched the £150 million Help to Build scheme, to help make self and custom build a more mainstream option for aspiring homeowners. Finally, the Government is supporting competition directly through the £1.5bn Levelling Up Home Building Fund, which provides loans to SMEs and support for the UK Government's wider regeneration agenda. These interventions are vital to supporting a vibrant market that meets the needs of consumers, but we know there is more to do to support the market to work as effectively as possible.

The CMA is independent and must make its own prioritisation decisions, and the scope, findings and outcomes of any market study will rightly be led by evidence. I would welcome any recommendations for measures that industry, the government and regulators could take to make sure the market is operating effectively and working well for consumers.

With every best wish,

A handwritten signature in black ink that reads "Michael Gove". The signature is written in a cursive, slightly slanted style.

Rt Hon Michael Gove MP
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