

Rt Hon. Michael Gove MP  
Secretary of State  
Department for Levelling Up, Housing and  
Communities  
4<sup>th</sup> Floor, Fry Building,  
2 Marsham Street,  
London SW1P 4DF

From: Sarah Cardell  
*Chief Executive, CMA*

20 January 2023

Dear Secretary of State,

Further to my letter of 22 November, I am writing to update you on the CMA Board's discussion on 18 January of potential CMA work in the housing sector.

The purpose of the CMA is to help people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour. In fulfilling this purpose, the Board has reiterated its commitment for the CMA to act in areas of essential spending and where people are under particular financial pressure, including accommodation. As you know, we have been undertaking significant work on behalf of people with leasehold homes who fall victim to unfair terms, specifically by securing the removal of doubling ground rent clauses from leasehold contracts and obtaining refunds for thousands of householders. Looking ahead, we expect that promoting competitive markets and tackling unfair practices across the accommodation sector more broadly will be a continued area of focus over the next 12 months.

As part of its discussion, the Board considered proposals for a market study into homebuilding. They noted that there are many factors at play in delivering affordable, high-quality places to live in but agreed that a thriving, competitive homebuilding sector is a core foundation for delivering the homes people need. They agreed that such work would be aligned with the CMA's prioritisation principles and would be consistent with the medium-term CMA priority to 'consistently focus action on the core areas of consumer spending and time' as set out in our Annual Plan 2023/24 consultation.<sup>1</sup> They also noted the UK Government's openness to recommendations in respect of this sector.

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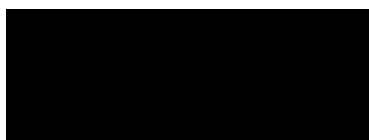
<sup>1</sup> [CMA prioritisation principles; CMA Annual Plan 2023 to 2024 consultation](#)

On this basis, the Board decided in principle that homebuilding should be prioritised as the next market study that the CMA launches. CMA staff will now finalise the proposed scope of this project, reflecting the Board's discussion, including a conclusion on the most appropriate geographic scope.<sup>2</sup> This will then be put to the Board for a formal decision to approve the launch of the market study, which we expect to take place in the next few weeks.

Given the importance of government policy to the housing sector, it will be particularly important that we can draw on the knowledge and expertise of your officials throughout the study. I would like to thank you again for your personal engagement on this subject and that of your officials to date, and I look forward to discussing the findings of the market study in due course.

Further to our previously published correspondence, I have placed this letter in the public domain.

Yours sincerely,



Sarah Cardell,  
*Chief Executive*

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<sup>2</sup> As previously set out, the CMA must, as a UK-wide body, account for the fact that housing policy is devolved. We have therefore been engaging with the Devolved Administrations to help us consider the potential scope of a market study.