

[REDACTED]  
Competition and Markets Authority  
The Cabot  
Cabot Square  
London  
E14 4QZ

16 March 2023

Dear [REDACTED]

**CMA Investigation into the Supply of New Homes in England, Scotland and Wales**

We would like to thank you and your team for the Teams meeting on Tuesday.

We derived considerable comfort from your assurances on the protection of our data and, in reliance on those assurances, we now feel little need to redact information other than that enjoying legal privilege.

I apologise if I caused offence by questioning the position on market sensitive information. That was certainly not my intention. However, I would be failing in my duties to Berkeley if I had not raised it.

We are unsure from the Statement of Scope published on 28 February 2023 whom you are approaching as key stakeholders.

Rather than giving details to the consultation in the Statement of Scope, we can summarise our views very simply. We predominantly develop brownfield land where it is the following factors that adversely impact the supply of housing of all tenures:

1. Residential developers being uncompetitive in the land market when competing for land against existing land uses and commercial developers because of s106 obligations and CIL;
2. The complexities of the planning system;
3. Political intervention in aspects of housing supply without an understanding of the long term consequences;
4. The high risk and capital cost of development created by the above factors before any return is seen on investment.

We have inferred that the investigation is aimed predominantly at private home builders. If our inference is correct, we believe the results of the investigation would be enhanced by including

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public and quasi-public authorities as they too encounter difficulties with bringing land forward for development. By way of example, the 2015-2020 Public Land for Housing Programme sought to release land from central Government's estate for 161,000 homes. Of this only 61,302 plots had been released (38%) by the end of the Programme. Part of the failure to meet the target was due to repurposing some of the land. However, the concluding summary report recognised that much land could not be brought forward for development because it was contaminated and required costly and complex remediation or for planning reasons. Cited planning reasons included delays and cost associated with such matters such as listed buildings and environmental constraints. A consideration of this report would help inform your investigation as would discussions with Government on this initiative.

The MoD has committed to releasing 44 sites delivering 25,797 homes between now and 2031. We suggest it would be helpful for you to speak with them about the challenges they are facing in bringing this land forward for residential development.

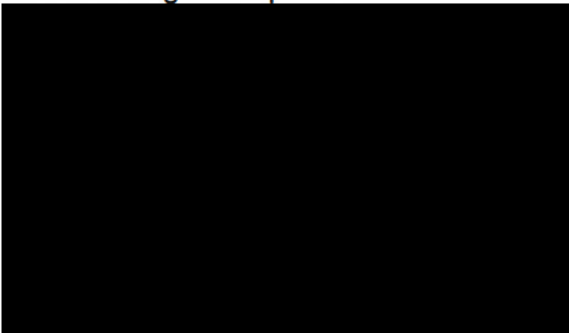
In London, various bodies under the control of the London Mayor own 3,840 hectares of land that could be used for housing. A discussion with the Mayor's office about why this land is not being released for housing would be informative.

Shortly before the periods covered by the investigation, the Registered Providers (housing associations) were given the right to build homes for private sale (which they had been unable to do previously). At the time the Policy Exchange was calling for these changes, they predicted that this change would increase housing supply of homes for purchase by 40,000 homes a year. This has not happened, nor anything close. In fact in the year to March 2021 the whole sector started only 4,737 market sale homes and completed just 6,005 homes. Extending the investigation to include at least the G15 of Registered Providers would enhance the investigation. Speaking with the Registered Providers would also be informative in relation to social housing supply and the problems they encounter in developing and procuring such homes.

Homes England's Strategic Plan for 2018-2023 is reaching the end of its life without having made any major in-roads into the shortage of housing supply. Extending the investigation to gather their insight into the problems they faced facilitating housing development in the period covered by their Strategy would also be very helpful. Homes England will only sell its large sites to major developers. A discussion with them as to the drivers for such a policy, would undoubtedly assist in understanding the barriers to entry of SMEs.

Finally, the major insurance companies who are developing sites for private rental homes have been recent entrants to the housing market providing homes for private rental. As a new entrant, with experience in commercial development, their input would also be informative.

I acknowledge receipt of the s 174 notice served yesterday.



**Wendy Pritchard**  
Group Solicitor