

24 April 2023

Housebuilding Market Study
Competition and Markets Authority
The Cabot
25 Cabot Square
London
E14 4QZ

Dear Sirs,

Response to Statement of Scope - Housebuilding market study

We write further to the draft Statement of Scope issued in February 2023.

As you may know, the Crest Nicholson Group is a member of the Home Builders Federation who has made a substantive response on behalf of all members.

We support and endorse this submission which covers the key themes that Crest Nicholson think is important to the market study.

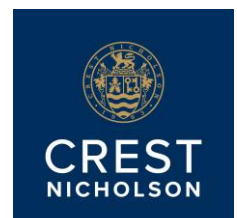
In addition, we would add the following:

- Question 1: We do not understand why Northern Ireland should be excluded. Even if the CMA has sufficient information to make an assessment of this market, if it operates distinctly from England & Wales, there may be useful insight or solutions to challenges faced elsewhere.
- The HBF submission talks (in various sections) about SME financing constraints. Bank finance is a key part of new entrants joining the market, especially SMEs. Conventional bank lending criteria which concentrate on a very low loan to value and tend to view real estate as higher risk does mean that it is very difficult for smaller organisations to comfortably access finance on sensible terms and then grow. The Scope does not overtly mention this area, but the Study could usefully consider this aspect in some detail and whether lending banks (or the financial regulatory environment for lending) could be adjusted to encourage greater support from lending banks to encourage SMEs.
- As a housebuilder, we recognise we are key part of the market, but we do not believe undue weight should be placed on housebuilders' roles, alone. The housebuilding market is extremely complex, and there are large number of moving parts not least the major impact of the planning system in its current form.

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Yours sincerely

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Crest Nicholson Holdings plc