



**Gallagher Developments response to the 'Competition and Markets Authority –  
Housebuilding market study' – 13<sup>th</sup> March 2023**

**Introduction**

Gallagher Developments is a master developer and strategic land promoter based in the Midlands, with interests stretching across the UK, and experience dating back over 50 years. Whilst experienced across a range of development typologies, there is a general focus on residential-led development.

As an opening, we would state that our experience is primarily gaining an Outline consent and then delivering infrastructure and selling sites - either as a whole or serviced parcels - to a number of housebuilders and have consistently found that there is strong competition between housebuilders in purchasing sites.

Some of the remarks that have been publicly issued around the industry and accusations of it acting as a “cartel” is entirely inconsistent with our experience of how the market operates<sup>1</sup>.

**Response to individual questions**

**7. Have any of the following aspects changed over time? If so, how and why?**

**a. The role of land promoters and land agents in transactions.**

Over the past 10-20 years, there has been a significant increase in the number and scope of land promoters. This, and the rise of promotion agreements, have meant that many housebuilders now have a reduced focus on the approach of securing long-term strategic land through Option Agreements.

This means that the size and level of resource provided to strategic land teams within housebuilders is reduced and many instead focus on securing land already with the benefit of an Outline consent.

**b. The propensity for land promoters and land agents to be used as part of securing planning permission and land transactions.**

As above, the proliferation of land promoters has led to a heavy reliance on strategic land promoters to secure planning consents that deliver “oven-ready” sites to house builders.

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<sup>1</sup> [https://www.propertysurveying.co.uk/newsletter/?page\\_id=26193](https://www.propertysurveying.co.uk/newsletter/?page_id=26193)

**8. Have any of the following aspects changed significantly over time? If so, how and why?**

**a. Time and cost for developments to go through different stages of the planning process.**

There is now a considerable level of information required in order to secure an Outline consent compared to the historic approach, which was more akin to what the Permission in Principle approach now allowed to be taken on smaller sites.

The level of the information, in combination with concerning levels of resource at Local Authorities and within statutory consultees has led to planning consents, S106 agreements and discharging of planning conditions all taking significantly longer to achieve than was the case a few years ago.

This is ultimately leading to more planning-by-appeal, where applicants have no faith that there applications will be determined within a reasonable period of time.

**c. Propensity for developers to negotiate s106 requirements to reduce affordable housing requirements.**

As a general rule, the level of affordable housing on greenfield sites is very good – and usually policy compliant. However, it is very much the case that on brownfield sites due to site viability issues relating to remediation and abnormal costs we are seeing a propensity towards zero – or at least significantly reduced – levels of affordable provision.

**10. What are the main barriers (if any), to the provision of affordable housing for (a) LPAs and (b) developers?**

In our view, over the next 5-10 years the biggest barrier to the delivery of both market and affordable housing is land availability.

Currently less than half of Local Planning Authorities have an up-to-date Local Plan<sup>2</sup>, and as such it is clear that the current planning system does not provide sufficient measures to encourage Local Planning Authorities to produce Local Plans.

Up-to-date Local Plans are key to housing delivery and providing certainty for both developers and the general public. Without up-to-date Local Plans insufficient land is allocated and the inevitable consequence is that land is then brought forward through speculative planning applications and appeals which are costly, time consuming, uncertain and never wanted. Speculative applications and appeals do help in delivery, but their contribution to housing supply annually is relatively low and the

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<sup>2</sup> <https://www.cpre.org.uk/wp-content/uploads/2020/05/Whats-the-plan- Full-report 2020.pdf> & <https://lichfields.uk/blog/2022/may/4/ten-years-of-the-nppf-what-do-we-have-to-show-for-a-decade-of-plan-making/>

animosity that it leads to within the political environment means that it cannot and should not be the bedrock of housing delivery.

There are several measures in the December 2022 draft NPPF and LURB which individually will slow down Local Plan production and combined, will result in the system grinding to a halt, dramatically reducing housing delivery. Indeed, we are already seeing the immediate consequences of the direction of travel set out in the draft NPPF<sup>3</sup>.

We have responded to the recent consultation on the NPPF to highlight our concerns in relation to the direction of national policy in this regard.

### **Conclusion**

We trust that these comments are helpful. We remain committed to working with the Government to improve the Plan-led planning system in order that the right sites in the right locations are released in order to meet the housing needs of the country.

We consider that the Local Plan process, rather than concerns over housebuilder competition, should be the focus for the Government in seeking to tackle the housing crisis.

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<sup>3</sup> <https://www.theguardian.com/society/2023/jan/15/new-homes-at-risk-as-english-local-authorities-cut-housebuilding-plans>