

# Scottish Land Commission Consultation Response:

## CMA Inquiry Into Housebuilding – Scope of Inquiry

### Introduction

The Scottish Land Commission welcomes the inquiry and is keen to contribute. We can share the findings from work on our [Review of Land for Housing](#) and the recommendations from the [Vacant and Derelict Land Task Force](#). These reviews looked at how to reform the housing land market to deliver more homes and better places, and at how to enable productive re-use of vacant brownfield land.

We are supportive of the scope of the inquiry. We offer the brief comments below on the proposed scope of the inquiry, suggest potential case studies and comment on proposals to look at the role of planning in the new housing market.

### Questions

#### Question 2 – Scope of Inquiry

We are broadly supportive of the scope of the inquiry. One addition we would suggest, however, is that the scope is widened. From our work on land for housing, we found that to deliver more homes and address areas of market failure, it is necessary for the public sector to play a full role in shaping local housing markets and enabling development. Our research found that this is necessary in areas of market failure (such as brownfield sites) to unlock land for development. A good example of this approach is the [Commonwealth Games Village](#) in Glasgow.

[Research on European countries with a strong track record in housing and placemaking](#) found that having a public sector which plays a strong role in assembling land for development delivers significant benefits. By playing an active role in initiating and shaping development, the public sector in Germany, the Netherlands and Switzerland, reduces risk for private developers. This enables a faster rate of development and allows more of the value created by development to be used on placemaking, creating quality new neighbourhoods.

#### Question 3 Potential Case Studies

We would suggest the following case studies:

##### Rural Scotland, especially the Highlands and Islands

Our research on [Land for Rural Housing](#) found that, outside a few hot spots, there is market failure in much of the Highlands and Islands with large housebuilders inactive. A recent survey by [Highlands and Islands Enterprise](#) found that for many parts of the region, strong economic growth prospects are endangered by a lack of affordable housing of all tenures.

##### Brownfield Development and Town Centre Living

Research for the Scottish Land Commission found that a [Public Interest Led approach to development](#), where the public sector shapes development and reduces risk, could enable development on sites that would be too risky for the private sector alone.

Town Centre Living – the delivery of [housing in town centres](#) could regenerate high streets, provide homes close to amenities and help reduce carbon emissions. Research by the Scottish Futures Trust

has found, however, that there is currently market failure, with few new homes being delivered in town centres and the vast majority that are completed are built by social landlords. It would be helpful if the inquiry could examine this issue and explore ways that the potential of town centre living and brownfield development could be unlocked and support policy goals such as net zero, 20 minute neighbourhoods and active travel.

#### Questions 8 and 9 The Planning Process

While the Scottish Land Commission believes that planning can play a major role in supporting a better functioning housing market, our research on land and housebuilding made it clear that speeding up planning or making it easier to obtain planning permission would not on its own lead to a big increase in housing completions, nor would it lead to price decreases. [Two pieces of research](#) found that increasing the supply of land with planning permission would not lead to a big increase in housing delivery – this is because developers bid for land for housing based on an assumed house sales price and have to build and sell at a pace that does not flood the market and reduce sales prices.

To achieve the goal of increased housing supply and to deliver homes in areas of market failure, our research found that it is necessary to reform the housing land market. This could be achieved by providing transparency on land market transactions (we are undertaking research on options agreements and transparency which we expect to publish in May or June this year), and by ensuring that the public sector plays a fuller role in assembling land for development and shaping the housing market in the public interest.