

Appendix H: Review of further evidence for 26 local areas

- H.1 For each LPA/LA area we identified as concentrated (see Appendix G), we have further investigated these areas by:
- (a) Collating data on local housing outcomes and characteristics that relate to the following metrics to better understand the local housing market conditions: population density, urban and rural classifications for LA areas, local housing affordability, local land availability/land use, the number of residential/newbuild sales, median house prices and housing delivery requirements.
 - (b) Requesting further information from the top 11 housebuilders and other stakeholders active in those 26 local areas, to better understand the local competition conditions and dynamics they see in those areas.
- H.2 We first looked at the local housing outcomes and characteristics data. From this analysis, we deprioritised 17 of the 26 local areas based on a combination of the following factors:
- (a) For each nation, if the housing requirement for that area was achieved with a percentage of 100 per cent or more, and/or if the population density was not high, these metrics provide an indication that the local housing need for that area was being met.
 - (b) Additionally for England, in addition to (a) above, we also looked at the land use data from ONS to get an indication for the availability of land for future development. If there was a sizable proportion of land available for future development, we deprioritised the area in combination with the criteria listed in the paragraph above.
 - (i) **For Wales:** We did not deprioritise Pembrokeshire as the housing delivery requirement was below 100%.
 - (ii) **For Scotland:** We deprioritised 3 of the 6 LPA/LA areas based on the population density being low or medium and the housing delivery requirement being above 100%: Aberdeenshire, Moray and North Ayrshire.¹
 - (iii) **For England:** We deprioritised 4 of the 19 LPA/LA areas based on the population density being medium and the housing delivery requirement being above 100%: Broadland, Malvern Hills, Newcastle-under-Lyme

¹ We did not deprioritise 3 of the 6 LPA/LA area based on the housing delivery requirement being above 100% as the sole criteria as we did in England, as each of these areas have high population density and these are local areas that form part of Glasgow's TTWA: East Renfrewshire, East Dunbartonshire and West Dunbartonshire,

and Scarborough. In addition, we deprioritised 10 of the 19 LPA/LA areas based on the housing delivery requirement being above 100%: Great Yarmouth, Halton, Hammersmith & Fulham, Harlow, Harrow, Hounslow, Lambeth, North East Lincolnshire, Oadby & Wigston and Oxford.

- H.3 For the nine remaining areas, we reviewed the information we requested from the top 11 housebuilders and other stakeholders active in those areas, and we also considered the information we received from respondents to the Land Banks Working Paper. The following paragraphs provide a high-level summary of the evidence.
- (a) **For Wales:** We examined the evidence we received for Pembrokeshire. This area is largely rural, and it also has a national park: Pembrokeshire Coast National Park (PCNP). The evidence we received suggests there were limited numbers of housebuilders that operated in the area. One stakeholder told us there had been no large-scale developments since the early 1990s, but new-build development sites that were active tended to be small. One respondent to the Land Banks Working Paper indicated Pembrokeshire was an area where sales rates are slower and sites likely to be more marginal. Another highlighted that permissions for only 16 sites had been granted in 2021-23, but these were spread across different applicants including housebuilder A, housebuilder B and housebuilder C. Our view of the evidence is the local concentration concerns appear to be in part due to a lack of permissioned land available to build new homes. With this lack of land availability, there are limited new-build developments and a limit to the mix of housebuilders present.
- (b) **For Scotland:** We reviewed the information for three local areas: East Renfrewshire, East Dunbartonshire and West Dunbartonshire. We note that all three are situated around Glasgow. While this does not mean all are part of the same HMA, we note that there may be constraints from outside the specific LPA areas. One respondent to the Land Banks Working Paper highlighted that these areas were close to Glasgow (which has strong railway connections) and contain a number of commuter towns.
- (i) In *East Renfrewshire*, we received documents from two stakeholders with details for long-term land that has no planning permission. We have received limited details for current development schemes. But for one site, one stakeholder told us the parcel of land is part of a larger land holding in the area that has been built out. The site has been promoted twice but has been refused. The stakeholder intends to promote the site again in an upcoming Local Development Plan review. The other stakeholder said they have a promotion agreement in place to promote a site in the area but the site but has not yet been acquired.

One respondent to the Working Paper noted that all LPAs across Scotland have to prepare a new style Local Plan by c. 2028, with no interim planning legislation introduced alongside the publication of NPF4 and removal of the presumption in favour of development, which significantly limits the number of new planning applications that can be positively progressed until the housing land pipeline is established through allocations in new adopted development plans. Another respondent highlighted there had only been 13 sites larger than 10 units granted planning permission in 2021-23, with two of the larger applicants being one top-11 housebuilder and a housebuilder outside the top-11. Another respondent also highlighted an example of [redacted], a relatively recent entrant to the area. Based on this information, there are limited details for current developments or developments that may have been completed. Our view is that the local concentration concerns appear due to limited new-build developments.

- (ii) In *East Dunbartonshire*, our view of the evidence is that there have been many competitor developments in this local area. There is limited information available on current developments as the evidence we have viewed relates to the purchase of strategic land opportunities for future developments. One respondent to the Land Banks Working Paper highlighted that high concentration was due to the small size of the LPA and the LPA recently granting consent for a large site (relative to the total number of permissions in the area). Based on this information, the local concentration concerns appear to be due to limited new-build developments.
 - (iii) In *West Dunbartonshire*, as with *East Dunbarton*, our view of the evidence is there have been a mix of different competitor developments over the last 8 years, but there are few details on current developments as the evidence we have viewed relates to the purchase of strategic land opportunities for future developments. One respondent to the Working Paper highlighted that many different applicants had received planning consents (although many of these were relatively small), and another highlighted that historically there had been significant housebuilding activity in the LPA but recently there has been more limited LPA support for large housebuilding developments. Based on this information, the local concentration concerns appear to be due to limited new-build developments.
- (c) **For England:** We reviewed the information for five local areas: Havant, Kingston Upon Thames, South Tyneside, Tower Hamlets and Watford.
- (i) In *Havant*, the evidence shows that there are many competitor developments that are live/have been live in this area. One respondent

to the Working Paper told us that Havant is not concentrated area, citing a mix of top 11 housebuilders and other housebuilders outside the top 11 that have achieved planning consent during the period assess by the CMA. Another respondent to the Land Banks Working Paper said they suspect the area had been identified because it is quite small implying there is limited scope for housebuilding opportunities in the area. In addition, because the area had been restricted by nutrient neutrality issues for many years, when solutions were eventually found, this allowed the release of a number of planning permissions in a short period of time. We also found evidence from the internal documents we reviewed that there are many different competitors that are engaged in strategic land acquisition activity in the area. Based on this information, we do not find there to be local competition concerns due to lack of different competitors being present.

- (ii) In *Kingston Upon Thames*, the evidence shows that there have been many developments that have been completed by different developers over the last 5 years, with some of these developments due to be complete over the next few years. This is an area that did not achieve the HDT for 2021, with evidence showing that delays in granting planning consent as one potential explanation for this. One respondent to the Land Banks Working Paper told us this is a LA area that is noted to have a lower-than-average planning performance for making major planning decisions within the 13 weeks and it is subject to constraints from neighbouring London boroughs. Another respondent to the Land Banks Working Paper told us that although there is only one top-11 housebuilder that accounts for the majority of the units approved that is part of a partnership with the local council, there are several other competitors present in the area which are not part of the top 11 housebuilders. Based on this information, we do not find there to be local competition concerns due to lack of different competitors being present.
- (iii) In *South Tyneside*, the evidence shows that the internal documents mention different competitor developments that have been live/are live in this area. However, recent new-build developments have been limited because of a lack of developable land² and due to a lack of planning applications being granted in some areas. Based on this information, we do not find there to be local competition concerns due to lack of different competitors being present. The local concentration

² CMA's analysis of the land use data from ONS finds that 38 per cent the land in the LA area is green belt land.

concerns appear in part due to a lack of available developable and permissioned land.

- (iv) In *Tower Hamlets*, the evidence from internal documents mention there have been many developments that have been completed by different developers over the last 4 years, with some of these developments due to be complete over the next few years. One respondent to the Land Banks Working Paper noted there were 132 planning applications that were granted permission in the period 2021 to 2023 period that accounted for over 17,000 units. Based on this information, we do not find there to be local competition concerns due to a lack of different competitors being present.
- (v) In *Watford*, the evidence shows that there have been many developments that have been completed by different developers over the last 4 to 8 years, with some of these developments due to be complete over the next year. One respondent to the Working Paper noted there were 57 applicants that were granted planning permission in the period 2021 to 2023 period that accounted for over 800 units. Based on this information, we do not find there to be local competition concerns due to la ack of different competitors being present.

H.4 From our review of the evidence, local concentration does not appear to be arising as a result of deliberate strategies to limit competition in those remaining areas. In some cases, concentration is lower than our initial screening indicated or appears to be a relatively short-term phenomenon; in others, it arises due to a limit on the amount of land suitable for development or number of permissions being granted in that area which acts as an external constraint on how many builders can be active.