

# Formal Response to the Competition and Market Authority's Housebuilding Market Survey – Local concentration and land banks working paper dated 15<sup>th</sup> November 2023.

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6th December 2023

## Question 4.1

a) Do you have any comments or alternative suggestions for identifying local Housing Market Areas?

No.

## Question 4.2

a) Do you have any comments on Method 1?

Yes.

- *2021 – 2023 is a very narrow window of time to collect the data. The methodology to focus in on applications where 50% of the permissions have been granted to one applicant is flawed unless the definition of 'permissions' is better defined.*
- *Using the land banks data is not accurate without a proper definition of short and long term land banks. See later section.*
- *In para 4.7 of the CMA working paper, the measure should be on how many sites were proposed for development by those parties promoting the land (landowner, promoter, SME, national housebuilder) and distilled down to those that got consent. Understanding why alternative sites that were submitted for consideration at any stage of the planning process (Call for sites/SHLAHH/SHELAA/Local Plan Promotion/Outline Application/Detailed Application/Full Application etc) were not taken further forward is critical to understanding the reasoning in why a specific site succeed in planning rather than 'concentration' to a certain developer.*
- *The definition of short term and long term land banks needs to be expanded in order to accurately plot the data, and to transparently assess the information. Please see later section.*
- *There is no reference to Land Promoters who form a fundamentally positive impact I the delivery of housing and development across the UK.*

**b) Do you have any views as to how much weight we should put on Method 1?**

*Not until the above comments have been reviewed and a revised position is consulted upon.*

**Question 4.3**

**a) Do you have any comments on Method 2?**

Yes.

*Further detailed breakdown and definitions of short and long term land banks needs to be included as part of the evidence collected and used by the CMA in this exercise. Short Term Land Bank is defined as 'Land which has some form of planning approval'. Long-term land is defined as 'land which has not yet received any form of planning approval.*

*To have the following breakdown would be more useful and effective in analysing the evidence and establishing how much land/how many houses falls within each category.*

		<i>Remaining Units to deliver (consented units less those already sold on site)</i>
<i>Short Term - delivering housing Dec 2023 - Dec 2027</i>	<i>Site with detailed satisfactory planning consent (RM/Full) with pre commencement conditions approved</i>	
<i>Short Term - delivering housing Dec 2023 - Dec 2027</i>	<i>Site with detailed satisfactory planning consent (RM/Full) with pre commencement conditions to be approved</i>	
<i>Short Term - delivering housing Dec 2023 - Dec 2027</i>	<i>Site with outline satisfactory planning consent with RM application submitted and awaiting decision</i>	
<i>Short Term - delivering housing Dec 2023 - Dec 2027</i>	<i>Site with outline satisfactory planning consent with RM application submitted and awaiting decision</i>	
<i>Short Term - delivering housing Dec 2023 - Dec 2027</i>	<i>Site with outline satisfactory planning consent with RM application not submitted.</i>	
<i>Short Term - delivering housing Dec 2023 - Dec 2027</i>	<i>Site with adopted plan allocation with no application submitted</i>	
<i>Long Term - delivering housing post Dec 2026 (date to be clarified for delivery of each site.</i>	<i>Site with no status in an adopted local plan.</i>	

**b) Do you have any views as to how much weight we should put on Method 2?**

*Yes. Limited until a better understanding of the planning status of the sites that have been assessed and a more detailed definition of short terms and long terms land banks is provided.*

**Question 5.1**

- a) In the areas identified as potentially highly concentrated in our analysis, what are your experiences of operating in these areas? How well do you consider the market to be working, and why?**

*None.*

- b) Are there other areas of England, Scotland or Wales which you consider to be concentrated but which have not been picked up in our analysis? If so, please provide supporting information and evidence.**

*No.*

**Additional Responses.**

*It is vital that the definitions of short and long term land banks are further defined. It would be useful to remove the terminology of land banks (short and long term) and replace with immediate pipeline (defined as sites with outline or detailed planning consent free of JR which are on site and delivering or are forecast to strategy delivering within the next five years) and those which are strategic pipeline (defined as sites without outline or detailed planning consent free of JR).*

*To seek to draw reference from the Murray report 2020 (which is based on the Australian property market and Australian planning policy structure), to assess why developers in the UK may seek to 'land bank' is using information and data which is older than the sample period the CMA are looking at within the UK. It is also using data and a report which is based on zonal planning systems, not anything similar to the UK system. The Australian market does not reflect the U housing market in both demand for housing and the number of developers able to contribute to the development of housing.*

*If the refence of land banking is being used throughout the CMA's reporting as a negative ie holding on to land with no intention to bring forward unless at the benefit to the housebuilder, then the definitions of short term land bank and long term land banks need to be redefined and renamed to avoid the misinterpretation of the so called 'land banks' (negative perception) and land pipelines (essential for business growth and confidence) being the same thing.*