

Barratt Developments Plc
Response to CMA Housebuilding Market Study Working Paper on
Local Concentration and Land Banks
11 December 2023

1. Introduction

1.1 Barratt appreciates the opportunity to comment on the CMA's working paper on local concentration and land banks (the "**Paper**"). In the Paper, the CMA seeks to address a number of potential concerns in relation to land banks, including whether there is concentration in certain local markets through the control of a significant proportion of developable land by a small number of housebuilders.¹

1.2 Barratt's headline comments in response to the Paper are as follows:

- (A) **The CMA's analysis of concentration does not raise any material competition concerns that lead to detriment to consumers.** A detailed analysis of each of the 26 LPAs identified by the CMA shows that there are only four LPAs where the top 11 housebuilders account for more than 50% of units or sites permitted in 2021-23, and in only one did a single housebuilder hold more than 50%. In each of these four LPAs, the relatively higher share of the top 11 housebuilders is not the result of any land hoarding strategy by one large housebuilder or a group of large housebuilders but is due to the relatively small size of certain LPAs, the low number of sites given planning permission, and the decisions of LPAs to allocate land in the Local Plan to large sites that can only feasibly be developed by a large housebuilder.
- (B) **The CMA's analysis does not take into account all the land that is developable in each of the LPAs.** In each of the 26 LPAs identified as concentrated in the Paper, it will invariably be the case that housebuilders, developers and other competitors will have proposed land for inclusion in the Local Plan that is considered commercially developable. LPAs have to choose a small proportion of the sites proposed for allocation in the Local Plan. There is therefore no shortage of land that could be developed in each of the LPAs identified by the CMA, as evidenced by a detailed analysis of the four LPAs where the top 11 housebuilders hold more than 50% of permitted units.
- (C) **In any event, there are far more second-hand homes in each of the 26 LPAs than new homes so any alleged concentration in new homes does not give rise to market power, nor is it likely to give rise to any consumer detriment.** In each of the 26 LPAs identified by the CMA, there are far more second-hand homes for sale than new homes. Second-hand homes place a significant constraint on housebuilders even in the LPAs identified by the CMA as potentially concentrated. As a result of this constraint, which has been recognised by the CMA in its working papers, any strategy by a housebuilder to slow build out rates or otherwise 'hoard' land to drive up prices is implausible.

¹ Barratt understands that "a small number" of housebuilders in this context means the top 11 housebuilders, as per paragraph 7 of the Paper.

- (D) **To the extent concentration is a concern, certain reforms to the planning system proposed by the CMA in its Planning Paper would reduce any concentration resulting from any LPAs' bias towards larger sites.** The CMA's findings in the Paper merely reflect the propensity, as noted by SMEs in the CMA's working paper on planning (the "**Planning Paper**"), of certain LPAs to devote their scarce planning resources to large sites to enable them to hit their planning targets more effectively.² The existence of land banks owned by the large housebuilders is not a contributing factor to the low levels of new homes being built in the UK. The CMA's own analysis shows that there is no shortage of developable land available in the UK. LPAs determine the level of concentration in each local area. LPAs are responsible for allocating sites for development and have been increasingly allocating larger sites to meet their targets. LPAs could more consciously support SME housebuilders by allocating smaller sites for development in order to promote even more competition than already exists. To assist with this, government could provide guidance and/or incentives to LPAs to favour smaller sites and facilitate competition by SMEs, as currently recommended in the CMA's Planning Paper.

2. The CMA's preliminary findings of potential local concentration in 26 LPAs do not provide any evidence of competition concerns

- 2.1 The CMA has identified 26 local areas to probe further using two separate methodologies (the "**26 LPAs**").
- 2.2 However, an analysis of the 26 LPAs identified by the CMA does not provide evidence that the top 11 housebuilders have systematically acquired the lion's share of permitted land or of long-term land. Indeed, a more detailed analysis shows that even the shares of consented land are not concentrated in the large majority of these areas. The methodologies used by the CMA have not therefore resulted in evidence of local concentration, even in relation to consented land, except in a handful of smaller LPAs. As far as long-term land is concerned, the CMA does not have the data to draw any conclusions in relation to long-term land holdings for the reasons explained in relation to the CMA's Method 2 below, but the imperfect data that is available strongly suggests that neither concentration nor the strategic use of land banks is a characteristic of the market.
- 2.3 Based on an analysis by Lichfields, using permissions data from Glenigan (the same source as that used by the CMA in its analysis), Table 2 at paragraph 3.10 below shows the proportion of planning permissions (outline and detailed) accounted for by the top 11 housebuilders in each of the 26 LPAs identified by the CMA between 2021 and 2023.³ From this analysis, it is clear that:

² See paragraph 2.2(c) of the Planning Paper.

³ Based on the analysis provided by Lichfields, Barratt is unable to reconcile the findings of the CMA with the underlying Glenigan data relating to the 2021-2023 period. The CMA is unwilling at this stage to provide the underlying data used which might enable the analysis to be replicated. Based on several factors, however, it appears that the findings of the CMA are in fact inconsistent with the Glenigan data available to Barratt.

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- (A) There is no evidence of significant concentration of consented land amongst the top 11 housebuilders in the large majority of the LPAs identified by the CMA to be potentially concentrated.
 - (B) Housebuilders other than the top 11 housebuilders account for more than half of the permitted housing units in all but four areas, namely East Dunbarton, Halton, North Ayrshire, and Oadby & Wigston. In terms of the number of sites, other applicants (smaller housebuilders, land promoters, housing associations etc.) account for 50% or more in all 26 areas.
- 2.4 As illustrated by the concentration analysis at **Annex 2**, in all LPAs permissions were granted to a large number of different and varied applicants. This is the case even for the LPAs identified above in which the top 11 housebuilders held more than half of permitted units.
- 2.5 This is discussed in more detail under Barratt's analysis of Method 1 and Method 2 below.

There is a large surplus of developable land in all LPAs

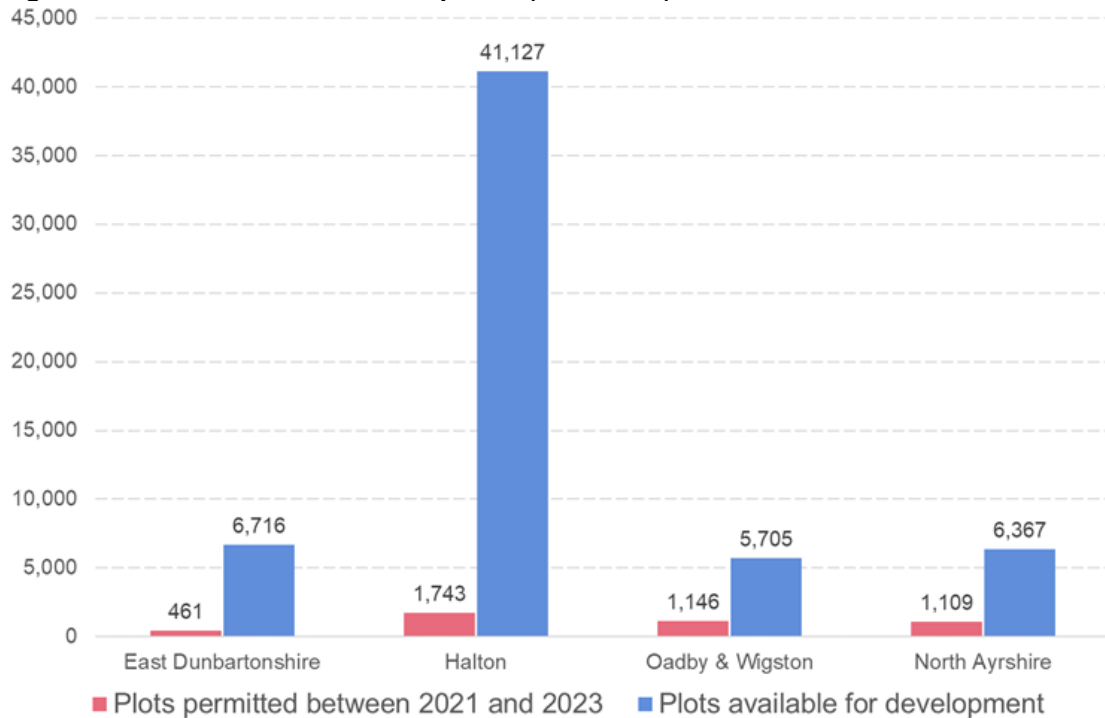
- 2.6 The CMA methodologies focus on land with planning permission. This does not take into account land that could readily be permitted by LPAs but which has not been the subject matter of an outline or detailed planning consent.⁴ From a competition perspective, a key question in areas where the large housebuilders own a high proportion of land with permissions, is whether there are alternative sources of land that could be used for residential housing in the short to medium term if LPAs chose to do so.
- 2.7 Lichfields has compiled data in respect of the four LPAs where the top 11 housebuilders held over 50% or more of consented units i.e., East Dunbarton, Halton, Oadby & Wigston, and North Ayrshire. This analysis and supporting data are provided at **Appendix A**.
- 2.8 The data compiled in respect of these LPAs assesses the level of planning permissions, land in the LPA Strategic Housing Land Availability Assessment ("**SHLAA**"), Call for Sites submissions, and Brownfield Registers. The data demonstrates that there remains a significant balance of developable land, controlled by a wide range of parties which could be utilised to build new homes if planning permission were granted and there is a commercial opportunity in the local area. As noted in the Paper, only 19% of all long-term plots are allocated in an LPA's Local Plan.⁵
- 2.9 Figure 1 below shows the number of plots on sites put forward for development or otherwise suitable for development according to the data compiled by Lichfields for East Dunbarton, Halton, Oadby & Wigston, and North Ayrshire. A comparison of this data with the number of plots permitted for each of these areas between 2021 and 2023 shows that there is an abundance of developable land which LPAs could include in their Local Plans.

⁴ Paragraph 2 of the Paper.

⁵ Paragraph 3.16 of the Paper.

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Figure 1: Land available for development (2021-2023)



Source: Analysis of potentially developable land data by Lichfields. Note: Only includes land for which a potential number of plots was estimated (e.g., excluding hectares following from the 2022 Scottish Vacant Derelict Land Survey).

- 2.10 Barratt considers that all land brought forward for allocation to LPAs is available for development, otherwise no promoter or housebuilder would have sought to obtain allocation in the Local Plan for that land. It is therefore Barratt's view that even land that has been considered "unsuitable" or "not currently developable" by the LPA should be accounted for in an assessment of land available for development. Assuming otherwise would mean that landowners, promoters and housebuilders made an incorrect assessment of the land's potential. Given the magnitude of the land that is not allocated by the LPAs, this interpretation seems unlikely to hold for most of the land discussed here. Rather, it represents a source of future development land likely to be developed in the longer term, but held back by the planning system.
- 2.11 In East Dunbartonshire, 841 plots are located on sites included in the Adopted and Proposed Local Plans (according to the 2022 Housing Land Audit) and a further 6,547 were submitted for the 2022 Local Plan but determined as "Alternative Site" or "Unsuitable Site" according to the 2020 Housing Background report. A further 73 hectares of land was identified in the Scottish Vacant Derelict Land Survey 2022, although with some potential overlap with the other sources. Assuming a 70% net developable area and 35 homes per hectare, this land could theoretically deliver an additional c. 2,000 homes.
- 2.12 In Halton, 41,109 plots are located on sites assessed for the 2017 SHLAA, of which 2,979 were determined deliverable, 1,608 developable and 36,270 not currently developable (likely due to Green Belt, but nevertheless put forward and promoted through the SHLAA process). A further

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18 plots were not promoted through the SHLAA but identified through the 2021 Brownfield Land Register.

- 2.13 In Oadby & Wigston, capacity for up to 5,321 dwellings was identified through the 2022 Call for Sites, with 167 further homes identified in the 2022/2023 Strategic Housing and Economic Land Availability Assessment (“**SHELAA**”) and 217 plots on sites not already promoted through the SHELAA but recorded in the 2022 Brownfield Land Register.
- 2.14 In North Ayrshire, 3,078 plots were identified through the 2021 Housing Land Audit and 3,289 plots were identified based in sites submitted as part of the North Ayrshire Local Development Plan which was adopted in 2019. A further 1,125 hectares of land was identified in the Scottish Vacant Derelict Land Survey 2022, although with some potential overlap with the other sources. Applying the same assumptions as at paragraph 2.11, this land could accommodate c. 27,500 additional homes.

Homes built in each of the 26 LPAs will face competition at the time of sale from second-hand homes

- 2.15 The CMA recognised in both the Planning Paper⁶ and the working paper on private management of public amenities on housing estates (the “**Estate Management Paper**”)⁷ that second-hand homes place a significant constraint on the pricing of new builds. It follows that any strategy by a housebuilder to hoard land or delay the development of new homes to drive up prices would fail as a result of the pricing constraint from second-hand homes.
- 2.16 Table 1 below shows that in each of the 26 LPAs identified by the CMA, there are far more second-hand homes for sale than new homes.

Table 1: Rightmove listings showing all homes for sale in the 26 LPAs

LPA Name	Number of listings			Proportion of all listings	
	New builds	Second-hands	All ads	New builds	Second-hands
Aberdeenshire LPA	42	380	422	10%	90%
Broadland LPA	270	1,643	1,913	14%	86%
East Dunbartonshire LPA	25	621	646	4%	96%
East Renfrewshire LPA	28	636	664	4%	96%
Great Yarmouth LPA	74	1,428	1,502	5%	95%
Halton LPA	41	939	980	4%	96%
Hammersmith and Fulham LPA	106	1,475	1,581	7%	93%
Harlow LPA	38	795	833	5%	95%
Harrow LPA	112	1,974	2,086	5%	95%
Havant LPA	78	1,571	1,649	5%	95%
Hounslow LPA	98	1,999	2,097	5%	95%
Kingston upon Thames LPA	119	1,537	1,656	7%	93%

⁶ At paragraph 5.47.

⁷ At paragraph 4.38.

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LPA Name	Number of listings			Proportion of all listings	
	New builds	Second-hands	All ads	New builds	Second-hands
Lambeth LPA	249	2,715	2,964	8%	92%
Malvern Hills LPA	90	859	949	9%	91%
Moray LPA	55	487	542	10%	90%
Newcastle-under-Lyme LPA	62	1,196	1,258	5%	95%
North Ayrshire LPA	59	782	841	7%	93%
North East Lincolnshire LPA	161	1,819	1,980	8%	92%
Oadby & Wigston LPA	62	541	603	10%	90%
Oxford LPA	23	1,041	1,064	2%	98%
Pembrokeshire LPA	65	1,025	1,090	6%	94%
Scarborough LPA	136	1,571	1,707	8%	92%
South Tyneside LPA	30	1,226	1,256	2%	98%
Tower Hamlets LPA	240	2,222	2,462	10%	90%
Watford LPA	102	1,003	1,105	9%	91%
West Dunbartonshire LPA	13	481	494	3%	97%

Source: Rightmove listings as per 11 November 2023. Note: Restricted to properties with advertised prices below £1 million. Listings are assigned to LPA's based on their geographic coordinates (latitude and longitude) as recorded on Rightmove, matched to digital vector boundaries for Local Planning Authorities in the United Kingdom as at April 2022.

- 2.17 Among all Rightmove listings, second-hand homes account for 86% or more of all listings in each of the 26 LPAs identified by the CMA. Further, in the four LPAs highlighted in Table 1 above⁸ where the top 11 housebuilders accounted for 50% or more of consented units, second-hand homes accounted for 90% or more of all listings on Rightmove.
- 2.18 Restricting this Rightmove analysis to 3-bedroom semi-detached homes and 4-bedroom detached homes only ([REDACTED]), second-hand homes account for: (i) 74% or more of listings in each of the 26 LPAs; and (ii) 82% or more of listings in the four LPAs identified above. In Harrow and East Dunbartonshire, where Barratt have listed 1 or 2-bedroom apartments, these account for only [REDACTED] and [REDACTED] of listings respectively, with 88% and 93% of listings accounted for by second-hand apartments.
- 2.19 Moreover, Barratt's internal documents provide [REDACTED].⁹
- 2.20 A more detailed analysis of the Rightmove data presented at Table 1 is included at **Annex 1** to this response. The underlying data supporting this analysis is provided at **Appendix B**.

3. The CMA's methodology for assessing local concentration

General comments

LPAs as a proxy for local housing market areas ("HMAs")

⁸ East Dunbarton, Halton, Oadby & Wigston, and North Ayrshire.

⁹ [REDACTED].

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- 3.1 Barratt agrees that using LPA boundaries is not a perfect proxy for HMAs. This is because administrative boundaries are unlikely to reflect accurately the locations considered as substitutes by home buyers. LPAs can only ever be a starting point for defining local markets. As previously indicated by the OFT in its 2008 report on homebuilding, "*choices regarding the location of a home are likely to be constrained geographically by a wide range of factors such as proximity to work, schools, family and friends*".¹⁰
- 3.2 It is necessary to look at each LPA and neighbouring LPAs for a more accurate assessment of potential concentration, as evidenced by Barratt's analysis of Oadby & Wigston below, which is one of the 26 LPAs identified by the CMA as being potentially concentrated. Oadby & Wigston is part of the wider Leicestershire HMA and its proximity to Leicester substantially affects the demand in Oadby & Wigston. As a result, any analysis of concentration should not be limited to Oadby & Wigston but should also include an analysis of new and second-hand homes for sale in adjacent LPAs which are likely to be regarded as substitutable by a large proportion of potential home buyers. Moreover, any analysis of housing needs (a factor referenced in Method 2) cannot be limited to the housing need in Oadby & Wigston since the new homes being built by Barratt in this LPA are targeted at the needs of the wider Leicester area.

Years of supply are a more appropriate measure for landbanks than plot numbers to assess the competitive significance of the land banks of individual builders

- 3.3 Whilst Barratt accepts that plot numbers is an appropriate measure for assessing the size of land banks held by housebuilders, plot numbers are only the starting point for an analysis of whether, in areas of high concentration, there is any evidence of excessive land banking.
- 3.4 Whilst the land banks of some of the largest housebuilders may have increased in recent years, no assessment can be made of the competitive significance of the size of a land bank without taking into account the planned output of the housebuilder in question. Barratt considers that a better metric is the number of years of supply provided by land banks. This is because, as the number of new homes supplied increases, a corresponding increase in land banks is needed to feed that supply. Accordingly, whilst the Barratt short-term and long-term land bank has increased in recent years, this increase is necessary to support its ambitious growth targets of [REDACTED] completions by the late 2020s. The legitimacy of this approach is recognised by the CMA in the Paper, which states that housebuilders' land banks ensure they have a forward pipeline of sites and are "*influenced by a number of strategic choices, including their plans for growth*"¹¹ The CMA notes that it therefore expects housebuilders' land banks to vary over time according to future plans for growth.¹²
- 3.5 Barratt has demonstrated that it does not buy more land than required to ensure continuity of its operations and deliver an appropriate return on capital employed. It is disincentivised to hold more land than needed because of the costs involved in acquiring short-term land and the risk of a market downturn. Build out rates on a particular site are driven by the rate of sale, and

¹⁰ Paragraph 4.9 of the 2008 OFT market study report.

¹¹ Paragraph 3 of the Paper.

¹² Paragraphs 2.8, 2.9 and 2.11 of the Paper.

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Barratt aims to turn land into completed units as quickly as possible. Barratt's land banks are linked to its output - where the growth of Barratt's land bank slightly exceeds completions growth, this is not due to anti-competitive land hoarding but is instead a result of, *inter alia*, (i) LPAs increasingly allocating and consenting larger sites which typically are developed over a longer period of time, (ii) expectations regarding future dynamics of supply and demand, and (iii) growing planning uncertainties reducing the amount of short-term land available at auction and increasing timescales for securing planning permission.^{13 14}

- 3.6 Moreover, plots within a short-term land bank do not necessarily correlate to immediately developable permissions. Typically, on larger multi-phased sites, a single overarching outline or hybrid permission will be secured, with phases then drawn down and submitted for detailed planning permission, which will then facilitate a site start. Therefore, whilst the housebuilder may count all the plots contained within the outline as short-term land, in reality only a small proportion will be truly 'short-term' at any one time – as and when they secure the necessary implementable planning permission. The short timeframe chosen for the analysis by the CMA means that the true competition for these sites is not fully reflected. This is the case, for example, for the Oadby & Wigston LPA [REDACTED].
- 3.7 The CMA should also take into account that there is a likelihood that parcels of these larger sites will be sold off to other developers which will create further competition in the market. Housebuilders have strong incentives to sell blocks off to reduce their risks and exposure in any one area, which will reduce the number of plots in their land bank.

Comments on outputs of Method 1 and Method 2

Method 1 (Glenigan Permissions data)

- 3.8 Method 1 of the CMA's methodology primarily relies on using Glenigan permissions data to identify local areas where more than 50% of permissions have been granted to one applicant in the 2021 to 2023 period.¹⁵ Barratt agrees that an analysis of permissions granted at the local level is a useful indicator of investments made by housebuilders and the likely number of homes that will be built in any local area. It is also a first step in analysing the likely level of concentration in any local area.
- 3.9 Under Method 1, the CMA identified 11 areas that are potentially concentrated: East Dunbartonshire; East Renfrewshire; Great Yarmouth; Halton; Hammersmith & Fulham; Harlow; Harrow; Kingston-On-Thames; Moray; Malvern Hills; and Oadby & Wigston.
- 3.10 Table 2 below shows the shares held by the top 11 housebuilders in the 11 LPAs identified by the CMA under Method 1, according to an analysis of Glenigan permissions data by Lichfields.

¹³ See Barratt's presentation to the CMA on land banking.

¹⁴ The Paper recognises at paragraph 2.10 that housebuilders have highlighted deficiencies in the planning system as a factor that influences the size of their land banks.

¹⁵ Paragraph 4.6 of the Paper.

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The highlighted rows indicate the three LPAs where the top 11 housebuilders account for more than 50% of the share of permitted units.

Table 2: Shares of permissions by top 11 housebuilders (2021-2023) (Method 1)

Local area	Total units	Total sites	Share of permitted units (%)	Share of permitted sites (%)
East Dunbarton	461	6	70%	42%
East Renfrewshire	369	13	39%	46%
Great Yarmouth	1,700	22	49%	9%
Halton	1,743	18	53%	17%
Hammersmith & Fulham	1,900	30	31%	13%
Harlow	1,505	19	27%	16%
Harrow	1,131	20	0%	0%
Kingston-on-Thames	4,314	35	21%	8%
Malvern Hills	3,862	20	25%	23%
Moray	1,230	21	24%	10%
Oadby & Wigston	1,146	6	96%	50%
Average across 11 LPAs			40%	21%

Source: Lichfields, based on Glenigan permissions data

3.11 As is clear from the above table and the more detailed analysis below:

- (A) In eight of the 11 LPAs identified, the top 11 housebuilders together did not have more than 50% of the sites consented. In these LPAs, land promoters, smaller housebuilders, the public sector (e.g., Homes England), housing associations and other competitors for land (e.g., small and large landowners, investment companies, commercial parties seeking residential permissions etc. (referred to in this response collectively as “**Other Competitors**” for ease)) accounted for more than 50% of the total units consented in each LPA.
- (B) Where the CMA’s methodology does identify a site as potentially concentrated, other factors and market dynamics specific to each LPA should be taken into account, such as: (i) the average size of the sites in that area; (ii) whether the LPA forms part of a wider HMA; and (iii) other factors specific to each LPA such as housing demand.

3.12 We take each of the three sites where a top 11 housebuilder has a significant share in turn below.

3.13 In **Oadby & Wigston** there are a total of 6 sites comprising 1,146 units. Together, two of the top 11 housebuilders account for 50% of sites and 96% of units. In particular:

- (A) [REDACTED] holds 57% of the consented units and 17% of the consented sites; and
- (B) [REDACTED] holds 39% of consented units and 33% of consented sites.

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- 3.14 While the data reveals that the top 11 housebuilders obtained a significant proportion of consented units, 50% of the *sites* in this area were obtained by applicants other than the top 11 housebuilders. This data merely reveals that [REDACTED] has a single particularly large site in this area, accounting for a majority of the consented units, while other smaller housebuilders are also active. As illustrated by Figure 2 below, 17% of sites during the period were held by other housebuilders, 8% by the public sector, and 25% by Other Competitors.

Figure 2: Shares of permissions held in Oadby & Wigston by applicant type (2021-2023)

[REDACTED]

Source: Lichfields, based on Glenigan permissions data

- 3.15 The analysis provided at **Annex 2** also illustrates that, while [REDACTED] may have accounted for a large proportion of units in this LPA, 17 other applicants were also granted planning permission during the period, albeit for a relatively lower number of units.¹⁶ This demonstrates that even in areas where the top 11 housebuilders hold a comparatively higher share of permissions, such as Oadby & Wigston, there are still a significant number of other competitors active in the area.
- 3.16 Moreover, as Barratt has pointed out, this area is part of the wider Leicestershire HMA. Proximity to Leicester substantially affects the demand in Oadby & Wigston. [REDACTED], delivering a new link road, primary school and community centre. As a result, while [REDACTED] secured 57% of the total consents in Oadby & Wigston, the allocation of this land for development formed part of an LPA planning strategy to address the housing needs of Leicester rather than just Oadby & Wigston.¹⁷ Since [REDACTED] site in this LPA is aimed at addressing the needs of consumers who are looking for homes in the wider Leicester area, the CMA cannot in any concentration analysis limit its analysis to sites in this LPA.
- 3.17 **In East Dunbarton**, permissions were granted for only six sites comprising 461 units in the time period assessed by the CMA, making it one of the smallest and least significant LPAs of those identified by the CMA. Given the small size of this LPA, it is self-evident that a high concentration is likely to be found, as accepted by the CMA in the Paper.¹⁸ Only two of the top

¹⁶ The analysis set out at Annex 2 has been carried out based on a bespoke Glenigan permissions dataset (provided at **Appendix C**) obtained by Lichfields and shared with Barratt. This dataset extends beyond the Glenigan dataset referred to in this section, as well as the Glenigan dataset used by the CMA, as it includes permissions for new build homes on sites smaller than 10 units, i.e., addresses one of the limitations highlighted by the CMA. Barratt is informed by Lichfields that, due to different reporting standards applied, e.g., relating to applications by companies currently placed in administration, the bespoke and live datasets provided by Glenigan do not perfectly align in terms of the permissions they include. Notably, the bespoke dataset omits a large site in Hounslow, which was included in the "live" dataset as used in this section (but which lacks information on sites smaller than 10 units). However, the data are nevertheless informative for the purpose of Annex 2 and considered to be comparable according to Glenigan.

¹⁷ [REDACTED].

¹⁸ See e.g., paragraph 4.7 of the Paper, which acknowledges that if a local area only granted a small number of planning permissions, what may look like 'concentration' could in fact be a feature of a small local market.

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11 housebuilders obtained consents in this area during the 2021-2023 period assessed by the CMA. In particular:

- (A) [REDACTED] secured 14% of the total consented units and 8% of the number of consented sites; and
- (B) [REDACTED] secured 56% of consented units and 33% of consented sites.

3.18 Again, the data reveals that although the top 11 housebuilders obtained a majority of consented units, permissions for 58% of the *sites* in this area were obtained by applicants other than the top 11 housebuilders, demonstrating significant activity from other market participants in the area. As illustrated by Figure 3 below, this 58% is split between other housebuilders, who held 25% of sites during the period, and Other Competitors, who held 33% of sites. Moreover, [REDACTED] obtained a high share of consented units due largely to the consent granted for a large site in Kirkintilloch, Glasgow on 9 December 2022.¹⁹ The high level of concentration in this LPA was therefore due to the LPA recently granting consent for a large site (relative to the total number of permissions in the area).

Figure 3: Shares of permissions held in East Dunbarton by applicant type (2021-2023)

[REDACTED]

Source: Lichfields, based on Glenigan permissions data

3.19 As illustrated at **Annex 2**, aside from the two top 11 housebuilders present in the area, 16 other applicants also secured planning permission during the period. These permissions were held by a varied range of competitors, including [REDACTED]. It is therefore not the case that permissions in this LPA were held only by a small number of large housebuilders.

3.20 **In Halton**, [REDACTED] was the only top 11 housebuilder to obtain consents in this area and accounted for 53% of consented units and 17% of sites. In this area, permissions were granted for 18 sites comprising 1,743 units in the time period assessed by the CMA.²⁰ Accordingly, applicants other than the top 11 housebuilders accounted for the vast majority - 83% - of sites and 47% of units. As illustrated by Figure 4 below, the largest number of sites were held by Other Competitors, who accounted for 36% of sites during the period. This was followed by other housebuilders, who held 35% of sites. The public sector also held 10% of sites. In terms of units, these parties accounted for 24%, 17% and 7% respectively. [REDACTED] has two particularly large sites with a high volume of units in Halton.²¹ Additionally, similarly to Oadby & Wigston, Halton is part of the wider Liverpool HMA and so any concentration analysis should not be limited to sites in this LPA only.

¹⁹ The planning applications at this site consist of one application for detailed planning permission for 69 houses and 8 cottage flats and another detailed planning application for 179 flats. These applications together account for 56% of the 461 permissions granted in the East Dunbartonshire LPA in 2021-2023.

²⁰ Notably, the CMA's analysis of the permissions data relating to Halton at Appendix A of the Paper only indicate "[l]ess than 5 planning applications approved in each period".

²¹ [REDACTED] received permissions relating to two sites of 428 and 489 units during the period.

Figure 4: Shares of permissions held in Halton by applicant type (2021-2023)

[REDACTED]

Source: Lichfields, based on Glenigan permissions data

- 3.21 The remainder of the consents granted in Halton during the period were secured by 35 other applicants. As illustrated at **Annex 2**, this included [REDACTED]. Various other applicants, including [REDACTED] each held less than 5% of consents. Again, the presence of a significant number of varied competitors in this LPA indicates that, even where the top 11 housebuilders account for the majority of consented units, there are numerous other active competitors.
- 3.22 In areas where the top 11 housebuilders accounted for a small share of the total units consented, the data at **Annex 2** shows that these areas are not concentrated:
- (A) **In Harrow**, where no top 11 housebuilder obtained consents between 2021 and 2023, [REDACTED] accounted for 33% of units permitted based on a single site, and multiple other players were present, including [REDACTED], which each account for more than 10 units permitted.
 - (B) **In Kingston-on-Thames**, [REDACTED] is the only top 11 housebuilder which obtained consents between 2021 and 2023. While the data suggest that [REDACTED] accounted for a majority of the units approved, nearly all of those units are part of one site, namely the Cambridge Road Estate, which was applied for in partnership with the local council. [REDACTED] other permissions in Kingston-on-Thames accounted for less than 5% of the permitted units in the area. Other than [REDACTED] there are several other competitors present in the area which are not part of the top 11, including [REDACTED].
 - (C) **In Malvern Hills**, 54% of the permitted units between 2021 and 2023 can be attributed to a permission applied for by [REDACTED], a strategic development company. Outside the top 11 housebuilders, which account for 22% of permitted units, several competitors are present in the area, including [REDACTED] and several other applicants which each account for less than 5% of permitted units (e.g., [REDACTED]).
 - (D) **In Moray**, [REDACTED] was the only top 11 housebuilder which obtained consents between 2021 and 2023, accounting for 21% of the permitted units. Other developers included [REDACTED] (obtaining 30% of the unit permissions), [REDACTED] (7%), [REDACTED] (6%) and [REDACTED] (less than 5%). Other participants, such as [REDACTED], were also active in the area.

Flaws in Method 1

- 3.23 While Barratt agrees that the proportion of consents granted in local areas is a relevant and informative way of assessing the extent of building activity in a given area, it can only be a starting point in the analysis of local market concentration. In particular, the fact that a housebuilder has a high share of consents in an LPA does not provide robust evidence of any local market power, given (i) the abundance of developable land available in every LPA, (ii) the

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significant number of other competitors also active in the LPA, (iii) the sites in one LPA may well be in direct competition with sites in a neighbouring LPA, and (iv) the fact that any new homes will be constrained by the pricing of second-hand homes available on the market (see **Annex 1** for further details).

- 3.24 Furthermore, Glenigan data, which forms the basis of Method 1, does not include any long-term land even though homes built on long-term land will compete with homes built on short-term land (already included by Glenigan). While the CMA's cross-checks take account of such long-term land controlled by the 11 largest housebuilders,^{22 23} long-term land that is not under control of the 11 largest housebuilders is not taken into account in the CMA's analysis. Since the largest housebuilders account for a small percentage of outline consents granted, it is clear that most long-term land is held by other third parties (as demonstrated by Figure 5 below). Barratt therefore considers that step three of Method 1 should be disregarded – no weight should be given to the long-term land held by the top 11 housebuilders in any concentration analysis.

Method 2

- 3.25 Method 2 of the CMA's methodology places greater emphasis on the land banks data of the 11 largest housebuilders to identify areas where three or fewer of the large housebuilders have land in short-term and/or long-term land banks for the calendar year 2022. Under Method 2, the CMA have identified 15 areas as potentially concentrated: Aberdeenshire; Broadland; Havant; Hounslow; Lambeth; Newcastle-under-Lyme; North Ayrshire; North East Lincolnshire; Oxford; Pembrokeshire; Scarborough; South Tyneside; Tower Hamlets; Watford; and West Dunbartonshire.
- 3.26 This Method suffers from a fundamental flaw in that it only takes into account the long-term land that is held by the top 11 housebuilders and not the abundance of long-term land available in every LPA.²⁴ It is clear that the largest housebuilders do not account for the large majority of long-term land in the UK and are highly unlikely to do so in any particular area, as explained below.
- 3.27 First, the top 11 housebuilders only account for c.40% of new builds in the UK,²⁵ which underlines the importance of other housebuilders whose long-term land should not be ignored.
- 3.28 Second, there is no readily available source that can be used to assess ownership of long-term land in the UK. Share of outline planning permissions is a reasonable proxy for share of long-term land as it sheds light on who in the relevant LPAs has brought long-term land through the allocation and planning process and has obtained outline consent. Using this proxy, the data provided by Lichfields at Figure 5 below demonstrates that the top 11 housebuilders accounted

²² Step three of the analysis cross-checks the 'concentrated' areas against land banks data to assess (i) whether there are three or fewer large housebuilders present with short-term and/or long-term sites, and (ii) the total number of plots held by each housebuilder across their short-term and/or long-term sites.

²³ The proportion of long-term land held by the top 11 housebuilders (i.e., 658,000 plots) is not out of kilter with the 522,000 plots identified for short-term land.

²⁴ This is acknowledged at paragraph 3.16 of the Paper.

²⁵ Paragraph 3.2 of the Paper.

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only for 12.7% of outline planning consents by number of sites, and 13.3% by number of units obtained in the 26 LPAs identified by the CMA.

Figure 5: Shares of outline planning permissions for 26 identified LPAs (2021-2023)

[REDACTED]

Source: Lichfields, based on Glenigan permissions data

- 3.29 To further test the effectiveness of Method 2 in terms of its ability to identify levels of potential concentration, Barratt, with support from Lichfields, has interrogated the Glenigan data for each of the identified 15 LPAs to assess what proportion of consented land is in the hands of the top 11 housebuilders in each of these areas.
- 3.30 An analysis of the broader permissions data for the 15 LPAs identified by the CMA does not point to excessive land banking by the top 11 housebuilders or concentration, but rather highlights that applicants other than the top 11 housebuilders account for a majority of both permitted units and sites in most of the identified LPAs. Table 3 shows the proportion of planning permissions (outline and detailed) accounted for by the top 11 housebuilders in each of the 15 LPAs identified by the CMA under Method 2. In only one of these LPAs, North Ayrshire, is the share of permitted units held by the top 11 housebuilders more than 50%.

Table 3: Shares of permissions by top 11 housebuilders (2021-2023) (Method 2)

Local area	Total units	Total sites	Share of permitted units (%)	Share of permitted sites (%)
Aberdeenshire	3,435	56	9%	5%
Broadland	1,500	10	22%	14%
Havant	1,205	21	38%	19%
Hounslow	7,026	36	6%	3%
Lambeth	3,924	54	3%	0%
Newcastle-under-Lyme	1,255	18	5%	6%
North Ayrshire	1,109	23	53%	15%
North East Lincolnshire	1,815	21	25%	10%
Oxford	2,968	42	16%	3%
Pembrokeshire	416	16	0%	0%
Scarborough	2,698	26	28%	13%
South Tyneside	1,727	19	7%	5%
Tower Hamlets	21,148	75	8%	5%
Watford	786	11	0%	0%
West Dunbartonshire	676	10	40%	33%
Average across 15 LPAs			17%	9%

Source: Lichfields, based on Glenigan permissions data

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- 3.31 As is clear from the analysis below, there is no evidence of excessive land banking or hoarding by top 11 housebuilders or any housebuilder in any of these LPAs.
- (A) In all the 15 LPAs identified, the top 11 housebuilders did not acquire more than 33% of the sites consented.
 - (B) In 14 LPAs, land promoters, smaller housebuilders, the public sector (e.g., Homes England), housing associations and Other Competitors accounted for 60% or more of the total units consented in each LPA.
 - (C) **In North Ayrshire**, two of the top 11 housebuilders accounted for more than 50% of consented units. However, this share is again driven by a single large site and the points raised in relation to Method 1 hold true here as well. In this regard:
 - (i) [REDACTED] accounted for 47% of consented units. However, [REDACTED] only accounted for 11% of the total consented sites. [REDACTED] has a particularly large site in [REDACTED], consisting of 426 of the total 566 units permitted to [REDACTED] between 2021 and 2023.
 - (ii) [REDACTED] accounted for a *de minimis* share of 6% of units and 4% of sites.
 - (iii) Applicants other than the top 11 housebuilders accounted for 85% of sites. As illustrated by Figure 6 below, this was split fairly evenly between Other Competitors (holding 30%), the public sector (holding 20%), and land promoters and other housebuilders (each holding 17%). As demonstrated by the data at **Annex 2**, these consents were held by 73 varied applicants (aside from the two top 11 housebuilders also present in the LPA). The LPA therefore demonstrates characteristics of a well-functioning competitive market, with a diverse range of participants each accounting for a fair share of sites.

Figure 6: Shares of permissions held in North Ayrshire by applicant type (2021-2023)

[REDACTED]

Other Flaws in Method 2

- 3.32 The CMA gives equal weight under Method 2 to long-term land that is allocated in the Local Plan and land that is not. [REDACTED]. The CMA should therefore put more emphasis on long-term land that is allocated in the Local Plan compared to land that is not.
- 3.33 Lastly, the final step for Method 2 cross-checks against the local housing need for each area. As explained above with respect to the Leicestershire HMA, developments in one area are not infrequently aimed at meeting housing need in adjacent areas. This is clearly the case for many London LPAs but is also true of areas outside of London. An analysis of housing need is unlikely to be a valuable indicator of whether a land bank held by a housebuilder in such an area is excessive. A more detailed analysis of the local housing market would be required before any conclusions can be made by reference to local housing need. A housebuilder is unlikely to incur the cost and resources required to file planning applications for large sites unless there is a

demand for such a development. This is also the case for LPAs who are unlikely to dedicate resources for large sites where there is insufficient demand.

- 3.34 Method 2 cannot therefore be considered a robust analysis of the land banks, including long-term land, held in the UK or in any LPA that are suitable for building homes and does not provide any information on local concentration beyond that already set out under Method 1. As such, Method 2 is conceptually flawed and should be disregarded in its entirety.

4. Reforming the planning system addresses the concerns raised by the CMA

- 4.1 The existence of land banks is not a contributing factor to the low levels of new homes being built in the UK. The CMA's own analysis shows that there is no shortage of developable land, indicating that "*there is land across all regions of England which in principle could be developed for housing*".^{26 27} The barrier to developing that land is the planning system.
- 4.2 As the CMA has recognised in the Planning Paper, the planning system has failed to deliver the requisite levels of developable land. The most significant factor inhibiting more rapid building is the planning system.
- 4.3 As evidenced above, the planning system determines the level of concentration in each local area. LPAs, not housebuilders, are responsible for allocating sites for development and have been increasingly allocating larger sites. It is up to the LPA to decide whether to allocate smaller or larger sites that have been proposed by housebuilders, including SMEs. The level of concentration in each local area is therefore directly determined by the LPA via its allocations. As is clear from the SHLAA analysis provided above, there is an abundance of land suitable for development that is proposed to LPAs when they are developing a Local Plan – it is the LPAs that decide which projects get allocated and the number of units that can be built.
- 4.4 LPAs are increasingly showing bias towards larger sites because both larger sites and smaller sites involve a similar level of planning resources, but larger sites help LPAs to meet their land release targets with less political resistance. To address this concern, LPAs could support SME housebuilders by allocating more sites, including smaller sites, for development. These smaller sites would typically not be of interest to large housebuilders and would therefore guarantee development by SMEs. To assist with this, government could provide guidance to LPAs to favour smaller sites to facilitate competition by SMEs, as recommended in the Planning Paper.²⁸

²⁶ Paragraph 2.104 of the CMA's update report and consultation on a market investigation reference.

²⁷ See also paragraph 3.16 of the Paper, which states that only 19% of long-term plots are allocated in an LPA's Local Plan.

²⁸ See Supporting Option 2: Additional support for SME housebuilders.

5. Responses to the CMA's consultation questions

5.1 Below, Barratt provides responses to the CMA's consultation questions by reference to the relevant sections of the main body of the response above.

Question 2.1: Do you agree with our focus on plots as a measure of land banks? What other measures should we take into account?

No. For the reasons set out in paragraphs 3.3 to 3.7 above, Barratt considers that years of supply is a more appropriate measure of land banks.

Question 4.1: Do you have any comments or alternative suggestions for identifying local Housing Market Areas?

Please refer to paragraphs 3.1 and 3.2 above.

Question 4.2:

(a) Do you have any comments on Method 1?

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

Please refer to paragraphs 3.8 to 3.24 above. While Barratt agrees that the proportion of consents granted in local areas is a relevant and informative way of assessing the extent of building activity in a given area, it sheds little light on competition for land, long-term land banks, planning permission or final house sales and so can only be a starting point for any concentration analysis. A consideration of other factors, such as the abundance of developable land in LPAs and competition from second-hand homes, is also necessary. Step three of Method 1 should also be disregarded, as the top 11 housebuilders account only for a small portion of total long-term land.

Question 4.3:

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

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

For the reasons set out in paragraphs 3.25 to 3.34 above, Method 2 is fundamentally flawed in design and data, and the CMA should not place any weight on results flowing from this methodology.

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? We particularly welcome views from

- **Builders active in the area as to whether they consider the market is concentrated from their perspective, and how this affects their operations.**
- **Smaller builders as to whether they experience difficulties in finding land in these areas.**
- **LPAs as to whether they experience difficulties in identifying land for development and having this converted into housing in line with locally identified needs.**

Based on the data referenced in **Annex 2**, Barratt has identified seven LPAs (of the 26 LPAs identified by the CMA) where it has secured [REDACTED] or more of the total consents from 2021 to 2023: (i) Havant; (ii) North East Lincolnshire; (iii) Scarborough; (iv) Oadby & Wigston; (v) East Dunbarton; (vi) Moray; and (vii) West Dunbartonshire. Barratt has already commented on the market dynamics in respect of Oadby & Wigston and East Dunbarton at paragraphs 3.13 to 3.19 above, as well as Moray at paragraph 3.22. For the remaining

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LPAs, Barratt does not consider that competition in these areas is limited to a few housebuilders, as demonstrated by the analysis at **Annex 2** and explained further below.

- **Havant is not concentrated:** Four of the top 11 housebuilders achieved consents in Havant during the period assessed by the CMA. [REDACTED] secured 14% of the total number of consents, while [REDACTED] held 9%, [REDACTED] 5% and [REDACTED] less than 5%. The large majority of consents were not held by the top 11 housebuilders, but were granted to 47 other applicants, including [REDACTED] (9%), [REDACTED] (8%), [REDACTED] (7%), and [REDACTED] (6%).
- **North East Lincolnshire is not concentrated:** Of the top 11 housebuilders, only [REDACTED] and [REDACTED] secured consents in this area during the period assessed, with [REDACTED] obtaining 10% of permissions and [REDACTED] obtaining 11%. Neither housebuilder's share in this LPA points to negative impact on competition. Rather, it reflects that the largest housebuilders have sites that are larger than the average housebuilder. In this area, 90 applicants other than the top 11 housebuilders secured the vast majority of consents during the period. With 391 units permitted across four sites, [REDACTED] is the housebuilder with the largest local presence, accounting for 18% of permissions.²⁹ Other builders outside the top 11 include [REDACTED] and others which each account for less than 5% of consented units.
- **Scarborough is not concentrated:** In this area, only two top 11 housebuilders secured consents in the period assessed by the CMA. [REDACTED] secured 20% of unit consents, reflecting the consents achieved on larger than average sites at Whitby and Cayton, plus a replan scheme at Bridlington. [REDACTED] achieved a *de minimis* 4% of unit consents. In this area, 138 applicants other than the top 11 housebuilders secured the remaining consents. Among the applicants are several other housebuilders, including [REDACTED] (24%), [REDACTED] (4%) and [REDACTED] (12%), and various other small developers.
- **West Dunbartonshire is not concentrated:** Only two of the top 11 housebuilders secured consents in this area during the period assessed. [REDACTED] secured 14% of unit consents while [REDACTED] secured 10%. The remaining majority of consents were secured by 16 other applicants. [REDACTED] accounted for the largest share (20%) of unit permissions, followed by [REDACTED] (16%), [REDACTED] (15%), [REDACTED] (7%), and various other smaller applicants.

(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.

Barratt does not consider that any other areas of England, Scotland or Wales are concentrated.

²⁹ [REDACTED].

Annex 1

1. Detailed analysis of Rightmove data

- 1.1 As recognised by the CMA in both the Planning Paper³⁰ and the Estate Management Paper³¹, second-hand homes place a significant constraint on the pricing of new builds. It follows that any strategy by a housebuilder to hoard land to drive up prices would fail as a result of the pricing constraint from second hand homes.
- 1.2 To evidence this constraint, Barratt has analysed all property listings on Rightmove as per 11 November 2023 in the 26 local areas identified by the CMA as potentially concentrated. Table 4 below shows the result of this analysis, namely that in each of the 26 LPAs identified by the CMA, there are far more second-hand homes for sale than new homes.

Table 4: Rightmove listings showing all homes for sale in the 26 LPAs

LPA Name	Number of listings			Proportion of all listings	
	New builds	Second-hands	All ads	New builds	Second-hands
Aberdeenshire LPA	42	380	422	10%	90%
Broadland LPA	270	1,643	1,913	14%	86%
East Dunbartonshire LPA	25	621	646	4%	96%
East Renfrewshire LPA	28	636	664	4%	96%
Great Yarmouth LPA	74	1,428	1,502	5%	95%
Halton LPA	41	939	980	4%	96%
Hammersmith and Fulham LPA	106	1,475	1,581	7%	93%
Harlow LPA	38	795	833	5%	95%
Harrow LPA	112	1,974	2,086	5%	95%
Havant LPA	78	1,571	1,649	5%	95%
Hounslow LPA	98	1,999	2,097	5%	95%
Kingston upon Thames LPA	119	1,537	1,656	7%	93%
Lambeth LPA	249	2,715	2,964	8%	92%
Malvern Hills LPA	90	859	949	9%	91%
Moray LPA	55	487	542	10%	90%
Newcastle-under-Lyme LPA	62	1,196	1,258	5%	95%
North Ayrshire LPA	59	782	841	7%	93%
North East Lincolnshire LPA	161	1,819	1,980	8%	92%
Oadby & Wigston LPA	62	541	603	10%	90%
Oxford LPA	23	1,041	1,064	2%	98%
Pembrokeshire LPA	65	1,025	1,090	6%	94%
Scarborough LPA	136	1,571	1,707	8%	92%
South Tyneside LPA	30	1,226	1,256	2%	98%

³⁰ At paragraph 5.47.

³¹ At paragraph 4.38.

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LPA Name	Number of listings			Proportion of all listings	
	New builds	Second-hands	All ads	New builds	Second-hands
Tower Hamlets LPA	240	2,222	2,462	10%	90%
Watford LPA	102	1,003	1,105	9%	91%
West Dunbartonshire LPA	13	481	494	3%	97%

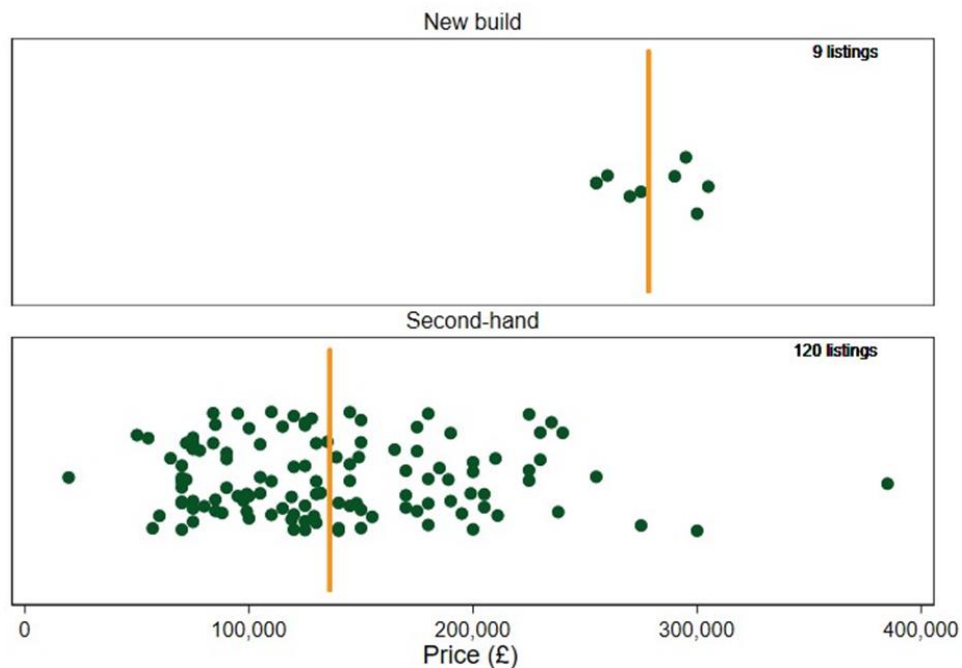
Source: Rightmove listings as per 11 November 2023. Note: Restricted to properties with advertised prices below £1 million. Listings are assigned to LPA's based on their geographic coordinates (latitude and longitude) as recorded on Rightmove, matched to digital vector boundaries for Local Planning Authorities in the United Kingdom as at April 2022.

- 1.3 Among all Rightmove listings, second-hand homes account for 86% or more of all listings in each of the 26 LPAs identified by the CMA. Further, in the four LPAs highlighted in Table 4 above³² where the top 11 housebuilders accounted for 50% or more of consented units, second-hand homes accounted for 90% or more of all listings on Rightmove.
- 1.4 Restricting this analysis to 3-bedroom semi-detached homes and 4-bedroom detached homes only ([REDACTED]), second-hand homes account for (i) 74% or more of listings in each of the 26 LPAs; and (ii) 82% or more of listings in the four LPAs identified above. In Harrow and East Dunbartonshire, where Barratt have listed 1 or 2-bedroom apartments, these account for only [REDACTED] and [REDACTED] of listings respectively, with 88% and 93% of listings accounted for by second-hand apartments.
- 1.5 Considering the Rightmove listings in the areas where the top 11 housebuilders accounted for 50% or more of consented units, it also follows that the top 11 housebuilders face significant competition from homes newly built by housebuilders outside the top 11.
- 1.6 **In East Dunbartonshire**, [REDACTED] (36%) and [REDACTED] (16%) are the two top 11 housebuilders currently listing homes on Rightmove, together accounting for 52% of new builds listed and only 2% of all listings (i.e., including second-hand homes).³³ The remaining 48% of new builds listed are accounted for by two housebuilders outside the top 11, namely **[REDACTED]** (36%) and **[REDACTED]** (12%). Second-hand homes for sale however far exceed the offering of new builds, accounting for 96% of all listings in East Dunbartonshire.
- 1.7 Even when considering 1 or 2-bedroom apartments only, i.e., the types of homes listed by Barratt in East Dunbartonshire, second-hand homes represent 93% of listings in the area. Figure 7 below shows the range of second-hand homes advertised on Rightmove which are of a similar property type compared to the newly built apartments listed for sale within the East Dunbartonshire area. With 1 and 2-bedroom apartments being a relatively small property category in the area, Barratt sells relatively premium apartments under its David Wilson brand, compared to the second-hand stock available.

³² East Dunbartonshire, Halton, Oadby & Wigston, and North Ayrshire.

³³ [REDACTED].

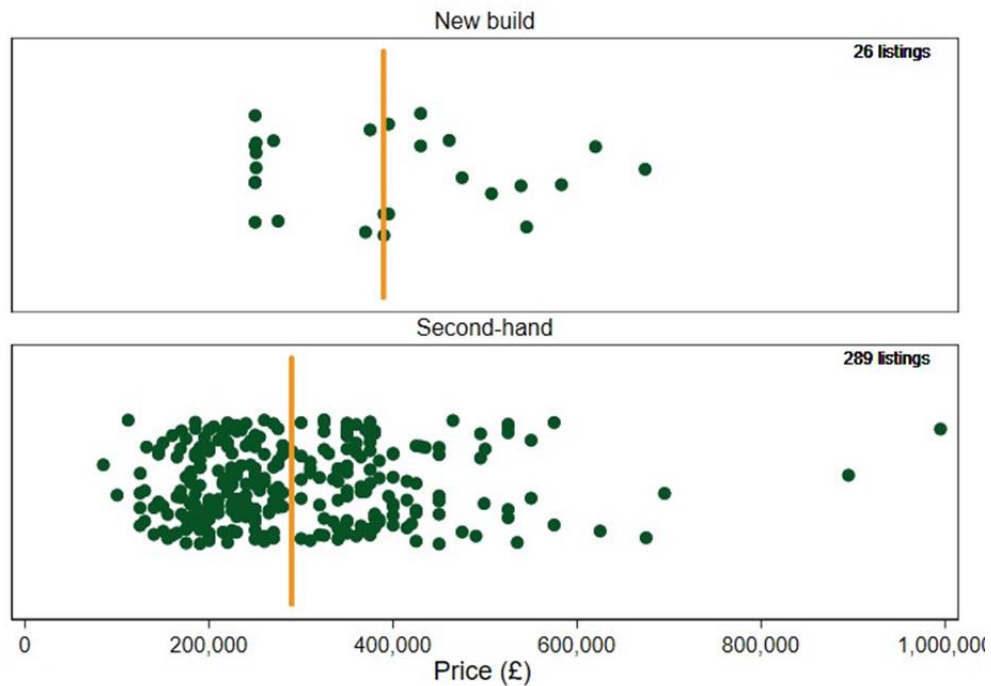
Figure 7: Distribution of prices of 1 and 2-bedroom apartments advertised on Rightmove within the East Dunbartonshire area



Source: Rightmove listings as per 11 November 2023. Note: Restricted to properties with advertised prices below £1 million. Listings are assigned to LPA’s based on their geographic coordinates (latitude and longitude) as recorded on Rightmove, matched to digital vector boundaries for Local Planning Authorities in the United Kingdom as at April 2022.

- 1.8 **In Halton**, [REDACTED] (27%), [REDACTED] (17%) and [REDACTED] (12%) are the three top 11 housebuilders currently listing homes on Rightmove, together accounting for 56% of new builds listed and only 2% of all listings including second-hand homes. The remaining 44% of new builds are accounted for by at least three housebuilders outside the top 11, namely [REDACTED] (22%), [REDACTED] (7%), [REDACTED] (2%) and one or more housebuilders listing their property through estate agents (12%). Second-hand homes for sale however far exceed the offering of new builds, accounting for 96% of all listings in Halton.
- 1.9 Even when considering only 3-bedroom semi-detached homes or 4-bedroom detached homes only, i.e., the types of new builds most listed in Halton, second-hand homes represent 92% of listings in the area. As Figure 8 below demonstrates, an abundant range of second-hand homes is advertised on Rightmove within a similar budget range and of a similar property type compared to the newly built apartments listed for sale within the Halton area.

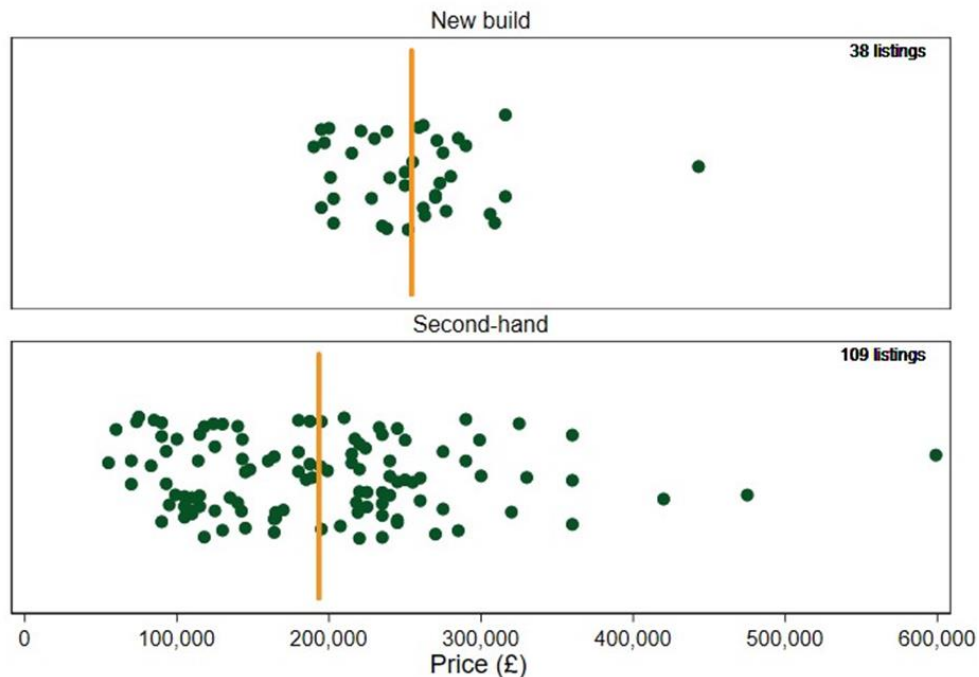
Figure 8: Distribution of prices of 3-bedroom semi-detached and 4-bedroom detached homes advertised on Rightmove within the Halton area



Source: Rightmove listings as per 11 November 2023. Note: Restricted to properties with advertised prices below £1 million. Listings are assigned to LPA's based on their geographic coordinates (latitude and longitude) as recorded on Rightmove, matched to digital vector boundaries for Local Planning Authorities in the United Kingdom as at April 2022.

- 1.10 In North Ayrshire, [REDACTED] (41%), [REDACTED] (20%) and [REDACTED] (17%) are the three top 11 housebuilders currently listing homes on Rightmove, together accounting for 78% of new builds listed and only 5% of all listings including second-hand homes. The remaining 22% of new builds are accounted for by at least three housebuilders outside the top 11, namely [REDACTED] (10%), [REDACTED] (7%), [REDACTED] (3%) and one housebuilder listing their property through estate agents (2%). Second-hand homes for sale however far exceed the offering of new builds, accounting for 93% of all listings in North Ayrshire.
- 1.11 Even when considering only 3-bedroom semi-detached homes or 4-bedroom detached homes only, i.e., the types of new builds most listed in North Ayrshire, second-hand homes represent 74% of listings in the area. As Figure 9 below demonstrates, an abundant range of second-hand homes is advertised on Rightmove within a similar budget range and of a similar property type compared to the newly built apartments listed for sale within the North Ayrshire area.

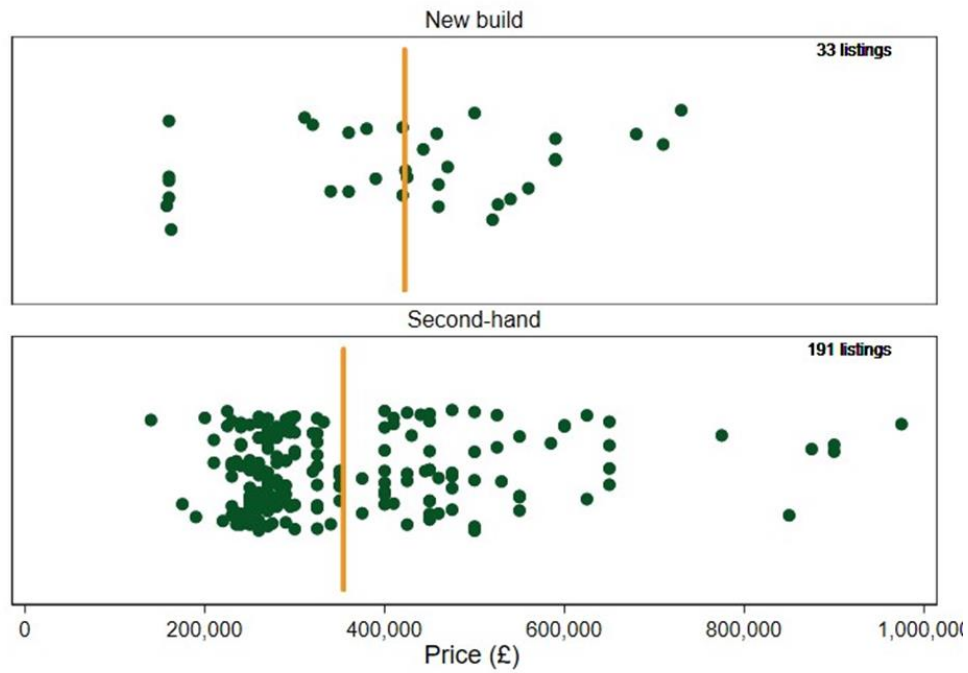
Figure 9: Distribution of prices of 3-bedroom semi-detached and 4-bedroom detached homes advertised on Rightmove within the North Ayrshire area



Source: Rightmove listings as per 11 November 2023. Note: Restricted to properties with advertised prices below £1 million. Listings are assigned to LPA’s based on their geographic coordinates (latitude and longitude) as recorded on Rightmove, matched to digital vector boundaries for Local Planning Authorities in the United Kingdom as at April 2022.

- 1.12 **In Oadby & Wigston**, [REDACTED] (63%) and [REDACTED] (24%) and [REDACTED] (8%) are the three top 11 housebuilders currently listing homes on Rightmove, together accounting for 95% of new builds listed and only 10% of all listings including second-hand homes. The remaining 5% of new builds are accounted for by one or more housebuilders listing their property through estate agents. Second-hand homes for sale however far exceed the offering of new builds, accounting for 90% of all listings in Oadby & Wigston.
- 1.13 As explained in paragraphs 3.2 and 3.16 above, however, an analysis of concentration should not be limited to Oadby & Wigston but also include buildings for sale in adjacent LPAs which form part of the wider Leicestershire HMA. As such, the Rightmove listings relating to the Oadby & Wigston LPA understate the actual competitive offering available in the relevant HMA.
- 1.14 Considering only 3-bedroom semi-detached homes or 4-bedroom detached homes only, i.e., the types of new builds most listed in Oadby & Wigston, second-hand homes represent 85% of listings in the area. As Figure 10 below demonstrates, an abundant range of second-hand homes is advertised on Rightmove within a similar budget range and of a similar property type compared to the newly built apartments listed for sale within the Oadby & Wigston area.

Figure 10: Distribution of prices of 3-bedroom semi-detached and 4-bedroom detached homes advertised on Rightmove within the Oadby & Wigston area



Source: Rightmove listings as per 11 November 2023. Note: Restricted to properties with advertised prices below £1 million. Listings are assigned to LPA's based on their geographic coordinates (latitude and longitude) as recorded on Rightmove, matched to digital vector boundaries for Local Planning Authorities in the United Kingdom as at April 2022.

Annex 2

1. Concentration analysis for the 26 LPAs identified by the CMA

- 1.1 The following analysis has been carried out based on a bespoke Glenigan permissions dataset (provided at **Appendix C**) obtained by Lichfields and shared with Barratt.³⁴ This dataset extends beyond the Glenigan dataset referred to in the preceding sections of this response above, as well as the Glenigan dataset used by the CMA, as it includes permissions for new build homes on sites smaller than 10 units, i.e., addresses one of the limitations highlighted by the CMA.³⁵
- 1.2 Barratt is informed by Lichfields that, due to different reporting standards applied, e.g., relating to applications by companies currently placed in administration, the bespoke and live datasets provided by Glenigan do not perfectly align in terms of the permissions they include.³⁶ However, the data are nevertheless informative for the purpose of this Annex and considered to be comparable according to Glenigan.³⁷
- 1.3 The analysis below sets out for each of the 26 LPAs identified by the CMA an overview of the applicants present in each area as well as a measure of concentration of permissions among these applicants between 2021 and 2023.³⁸ The analysis shows that (i) a large number of applicants are present in each area and that (ii) these areas are not characterised by a high concentration of short-term land ownership. In fact, the HHI based on these permissions is below 2,000 in 20 out of the 26 areas, i.e., the threshold above which the CMA noted product markets to be generally considered as highly concentrated. For 11 out of the 26 areas, the calculated HHIs are even below 1,000, i.e., not concentrated according to the thresholds referred to by the CMA.³⁹
- 1.4 It should be noted that the Glenigan data available to Barratt does not include an overview of the parent companies of each of the applicants included in the dataset. While Lichfields carried out an assessment to attribute sites to each of the top 11 housebuilders based on their subsidiaries, this assessment has not been extended to all applicants which are not (a subsidiary of) a top 11 housebuilder. However, it seems unlikely for non-top 11 housebuilders

³⁴ [REDACTED].

³⁵ Paragraph 3.8 of the Paper.

³⁶ Notably, the bespoke dataset omits a large site in Hounslow (under project ID 19044006, for 1,629 units, granted in 2023), which was included in the “live” dataset as used for the preceding sections in this response (but which lacks information on sites smaller than 10 units).

³⁷ Lichfields furthermore considers the data to be comparable for the purpose of the four areas where the top 11 housebuilders account for more than half of the permitted housing units (i.e., East Dunbarton, Halton, North Ayrshire and Oadby & Wigston), with the exception of a single 36-unit site in Halton being omitted from the bespoke dataset (project ID 19280947).

³⁸ For the purpose of calculating shares of permissions, applications which were shared between multiple applicants were evenly split between these applicants. This approach is consistent with Lichfields’ analysis and previous research and in keeping with Glenigan’s advice.

³⁹ See https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1075230/State_of_Competition.pdf.

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to have several sites under different subsidiaries in a given LPA, such that it is unlikely to significantly affect the concentration analysis.

- 1.5 **In Aberdeenshire**, 194 applicants were granted planning permission in the 2021-2023 period, together accounting for 4,051 units permitted and for 56 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Aberdeenshire would be equal to 645, with Trump International Golf Links accounting for the largest share (14%) of unit permissions, followed by Kirkwood Homes Ltd (13%) and Claymore Homes (11%).

Figure 11: Shares of permissions held in Aberdeenshire by applicant (2021-2023)

[REDACTED]

Source: *bespoke Glenigan permissions data*⁴⁰

- 1.6 **In Broadland**, 63 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,630 units permitted and for 10 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Broadland would be equal to 973, with [REDACTED] accounting for the largest share (17%) of unit permissions, followed by [REDACTED] (17%) and [REDACTED] (13%).

Figure 12: Shares of permissions held in Broadland by applicant (2021-2023)

[REDACTED]

Source: *bespoke Glenigan permissions data*.

- 1.7 **In East Dunbarton**, 18 applicants were granted planning permission in the 2021-2023 period, together accounting for 505 units permitted and for six sites larger than 10 units. Based on the available data on unit permissions, the HHI for East Dunbarton would be equal to 2,985, with [REDACTED] accounting for the largest share (51%) of unit permissions, followed by [REDACTED] (13%) and [REDACTED] (13%).

Figure 13: Shares of permissions held in East Dunbarton by applicant (2021-2023)

[REDACTED]

Source: *bespoke Glenigan permissions data*.

- 1.8 **In East Renfrewshire**, 19 applicants were granted planning permission in the 2021-2023 period, together accounting for 409 units permitted and for 13 sites larger than 10 units. Based on the available data on unit permissions, the HHI for East Renfrewshire would be equal to 1,767, with [REDACTED] accounting for the largest share (32%) of unit permissions, followed by [REDACTED] (22%) and [REDACTED] (8%).

Figure 14: Shares of permissions held in East Renfrewshire by applicant (2021-2023)

[REDACTED]

Source: *bespoke Glenigan permissions data*.

⁴⁰ Unless labels would overlap with other labels in the figures, (i) applicant names were included for the top 8 applicants if known and not removed for data protection reasons and (ii) percentages shares were included for the top 7 applicants.

- 1.9 **In Great Yarmouth**, 74 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,965 units permitted and for 22 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Great Yarmouth would be equal to 2,150, with [REDACTED] accounting for the largest share (43%) of unit permissions, followed by [REDACTED] (14%) and [REDACTED] (8%).

Figure 15: Shares of permissions held in Great Yarmouth by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.10 **In Halton**, 36 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,740 units permitted and for 18 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Halton would be equal to 3,029, with [REDACTED] accounting for the largest share (53%) of unit permissions, followed by [REDACTED] (9%) and [REDACTED] (9%).

Figure 16: Shares of permissions held in Halton by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.11 **In Hammersmith and Fulham**, 199 applicants were granted planning permission in the 2021-2023 period, together accounting for 2,413 units permitted and for 30 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Hammersmith & Fulham would be equal to 1,715, with [REDACTED] accounting for the largest share (32%) of unit permissions, followed by [REDACTED] (25%) and [REDACTED] (8%).

Figure 17: Shares of permissions in Hammersmith & Fulham by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.12 **In Harlow**, 22 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,185 units permitted and for 19 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Harlow would be equal to 2,220, with [REDACTED] accounting for the largest share (34%) of unit permissions, followed by [REDACTED] (29%) and [REDACTED] (10%).

Figure 18: Shares of permissions held in Harlow by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.13 **In Harrow**, 107 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,454 units permitted and for 20 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Harrow would be equal to 1,276, with [REDACTED] accounting for the largest share (33%) of unit permissions, followed by [REDACTED] [REDACTED] (9%) and [REDACTED] (6%).

Figure 19: Shares of permissions held in Harrow by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.14 **In Havant**, 51 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,398 units permitted and for 21 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Havant would be equal to 623, with [REDACTED] accounting for the largest share (14%) of unit permissions, followed by [REDACTED] (9%) and [REDACTED] (9%).

Figure 20: Shares of permissions held in Havant by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.15 **In Hounslow**, 54 applicants were granted planning permission in the 2021-2023 period, together accounting for 4,721 units permitted and for 36 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Hounslow would be equal to 845, with [REDACTED] accounting for the largest share (22%) of unit permissions, followed by [REDACTED] (10%) and [REDACTED] (9%).

Figure 21: Shares of permissions held in Hounslow by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.16 **In Kingston-on-Thames**, 138 applicants were granted planning permission in the 2021-2023 period, together accounting for 4,623 units permitted and for 35 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Kingston-on-Thames would be equal to 1,253, with [REDACTED] accounting for the largest share (20%) of unit permissions, followed by [REDACTED] (20%) and [REDACTED] (19%).

Figure 22: Shares of permissions held in Kingston-on-Thames by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.17 **In Lambeth**, 206 applicants were granted planning permission in the 2021-2023 period, together accounting for 4,704 units permitted and for 54 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Lambeth would be equal to 325, with [REDACTED] accounting for the largest share (7%) of unit permissions, followed by [REDACTED] (6%) and [REDACTED] (6%).

Figure 23: Shares of permissions held in Lambeth by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

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- 1.18 **In Malvern Hills**, 109 applicants were granted planning permission in the 2021-2023 period, together accounting for 4,110 units permitted and for 20 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Malvern Hills would be equal to 3,176, with [REDACTED] accounting for the largest share (54%) of unit permissions, followed by [REDACTED] (12%) and [REDACTED] (10%).

Figure 24: Shares of permissions held in Malvern Hills by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.19 **In Moray**, 70 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,388 units permitted and for 21 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Moray would be equal to 1,619, with [REDACTED] accounting for the largest share (30%) of unit permissions, followed by [REDACTED] (21%) and [REDACTED] (10%).

Figure 25: Shares of permissions held in Moray by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.20 **In Newcastle-under-Lyme**, 87 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,678 units permitted and for 18 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Newcastle-Under-Lyme would be equal to 732, with [REDACTED] accounting for the largest share (15%) of unit permissions, followed by [REDACTED] (12%) and [REDACTED] (10%).

Figure 26: Shares of permissions in Newcastle-under-Lyme by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.21 **In North Ayrshire**, 75 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,411 units permitted and for 23 sites larger than 10 units. Based on the available data on unit permissions, the HHI for North Ayrshire would be equal to 1,547, with [REDACTED] accounting for the largest share (37%) of unit permissions, followed by [REDACTED] (8%) and [REDACTED] (6%).

Figure 27: Shares of permissions held in North Ayrshire by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.22 **In North East Lincolnshire**, 92 applicants were granted planning permission in the 2021-2023 period, together accounting for 2,141 units permitted and for 21 sites larger than 10 units. Based on the available data on unit permissions, the HHI for North East Lincolnshire would be equal to 879, with [REDACTED] accounting for the largest share (18%) of unit permissions, followed by [REDACTED] (12%) and [REDACTED] (11%).

Figure 28: Shares of permissions in North East Lincolnshire by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.23 **In Oadby and Wigston**, 19 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,203 units permitted and for six sites larger than 10 units. Based on the available data on unit permissions, the HHI for Oadby & Wigston would be equal to 4,338, with [REDACTED] accounting for the largest share (54%) of unit permissions, followed by [REDACTED] (38%) and [REDACTED] (1%).

Figure 29: Shares of permissions held in Oadby and Wigston by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.24 **In Oxford**, 261 applicants were granted planning permission in the 2021-2023 period, together accounting for 3,246 units permitted and for 42 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Oxford would be equal to 643, with [REDACTED] accounting for the largest share (13%) of unit permissions, followed by [REDACTED] (11%) and [REDACTED] (11%).

Figure 30: Shares of permissions held in Oxford by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.25 **In Pembrokeshire**, 138 applicants were granted planning permission in the 2021-2023 period, together accounting for 741 units permitted and for 16 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Pembrokeshire would be equal to 460, with [REDACTED] accounting for the largest share (13%) of unit permissions, followed by [REDACTED] (11%) and [REDACTED] (7%).

Figure 31: Shares of permissions held in Pembrokeshire by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.26 **In Scarborough**, 140 applicants were granted planning permission in the 2021-2023 period, together accounting for 3,141 units permitted and for 26 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Scarborough would be equal to 1,083, with [REDACTED] accounting for the largest share (21%) of unit permissions, followed by [REDACTED] (20%) and [REDACTED] (12%).

Figure 32: Shares of permissions held in Scarborough by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.27 **In South Tyneside**, 45 applicants were granted planning permission in the 2021-2023 period, together accounting for 1,861 units permitted and for 19 sites larger than 10 units. Based on the available data on unit permissions, the HHI for South Tyneside would be equal to 1,058, with [REDACTED] accounting for the largest share (24%) of unit permissions, followed by [REDACTED] (13%) and [REDACTED] (8%).

Figure 33: Shares of permissions held in South Tyneside by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.28 **In Tower Hamlets**, 132 applicants were granted planning permission in the 2021-2023 period, together accounting for 17,838 units permitted and for 75 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Tower Hamlets would be equal to 467, with [REDACTED] accounting for the largest share (11%) of unit permissions, followed by [REDACTED] (8%) and [REDACTED] (7%).

Figure 34: Shares of permissions held in Tower Hamlets by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.29 **In Watford**, 57 applicants were granted planning permission in the 2021-2023 period, together accounting for 875 units permitted and for 11 sites larger than 10 units. Based on the available data on unit permissions, the HHI for Watford would be equal to 914, with [REDACTED] accounting for the largest share (20%) of unit permissions, followed by [REDACTED] (15%) and [REDACTED] (11%).

Figure 35: Shares of permissions held in Watford by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.

- 1.30 **In West Dunbartonshire**, 18 applicants were granted planning permission in the 2021-2023 period, together accounting for 703 units permitted and for 10 sites larger than 10 units. Based on the available data on unit permissions, the HHI for West Dunbartonshire would be equal to 1,285, with [REDACTED] accounting for the largest share (20%) of unit permissions, followed by [REDACTED] (16%) and [REDACTED] (15%).

Figure 36: Shares of permissions in West Dunbartonshire by applicant (2021-2023)

[REDACTED]

Source: bespoke Glenigan permissions data.