

Housebuilding Market Study  
Response by Redrow Homes Limited

Local concentration and land banks working paper

2.1 – We agree that plots is probably the most suitable measure of land banks particularly given most housebuilders report on the size of their land portfolios by the number of plots.

4.1 – For the purposes of this study we agree using LPA/LA boundaries is probably the most appropriate measure for HMA's. However most major city HMA's extend well beyond their LA boundaries so analysis of the results will need to reflect this.

4.2 – The metric at 4.6a is a little crude particularly bearing in mind the years under consideration are pandemic and post pandemic years when many companies may have held off investing in the planning process. This may have reduced the number and size of applications being made, particularly by SME's.

Also at 4.6b have you collected data of other smaller housebuilders and non-housebuilders? If the type of sites available in the relevant borough are generally small or of a nature which does not meet the business model of the top 11 housebuilders then this would skew the number of those housebuilders present in that borough. Similarly if the local plan only allocates a few larger sites e.g. SUE's to meet its housing need then this would skew the number of applications and type of applicant.

4.3 – Again the assessment here is a bit crude for the same reasons as given in respond to 4.2 above. In addition land ownership will also play a part, for example a single large landowner is only likely to contract with a single entity / housebuilder which will skew the land holdings and applications data. However some land owners may require that some of the larger site is sold on the open market while others are happy for the land to be drawn down and built by one housebuilder. In fact some land owners will only allow a proportion of the site to be drawn down and built at a time which will again skew the results here.

4.4 – in order to understand the impact of land banks you need to explore the complete housing delivery picture in the relevant borough. Most LA's have windfall sites which generally are built out by SME's and individuals, which together with conversions of commercial and other buildings contribute to the overall housing supply.

You also need to consider the second hand housing market and understand the volume of transactions supplied by the new build sector as a percentage of the whole market.

5.1 – Many of the areas identified are in more peripheral / marginal markets where sales rates are slower and I would suggest are likely to be more marginal from a viability perspective e.g. Scarborough, Lincolnshire, Broadland, or Pembrokeshire. Redrow does not operate in these areas for that very reason and therefore the concentration identified may just be because there are fewer players in that market.

Conversely some of the other boroughs are in heavily restricted areas such as Oxford which is enclosed by Green Belt and Flood Risk, and has a number of large landowners (the various Oxford Colleges) which will skew the concentration of consents and land holdings.

I suspect Havant BC has appeared because it had been restricted by the nutrients issue for many years and solutions were eventually found which released a number of planning permissions in a short period of time. It is also quite a small authority which means the scope for a wider market is limited.