
From: [REDACTED]
Sent: 06 December 2023 11:33
To: Housebuilding
Subject: Housebuilding Market Study - response to Working Papers

Dear CMA,

Re : Housebuilding Market Study

Please accept this few comments as responses to your two Working Papers on 'Land Banks' and 'the Planning System' – comments written in blue ink below:

Land Banks Question 4.4 a) Do you have any other comments on our methodology for exploring land banks? What alternative or additional ways of analysing the data we have collected should we consider to shed further light on the issues?

There are likely to be substantial land holdings under the ownership / control of other bodies besides the housebuilders noted, in particular other large 'development' / 'developer' bodies with national profiles. There is a concern that the stated methodology may underestimate the overall degree of monopolisation of land and sites from this sector.

Additional Comments from EMCLH:

(1) The stated responses from the housebuilding sector of only building out the release of new units to 'market absorption rates' begs the question of what level of market interest is being applied or shaped – the deliberate slow release of completed units is known to sustain high prices in areas where new dwellings remain a relative scarcity, and which will inevitably equate to an notional 'absorption rate' focused upon higher prices. This is not the same as rates of 'market' interest if prices were lower and indeed, given the national picture of housing shortages amidst a high cost of living, a higher absorption rate should be assumed to be feasible (and still viable) if prices were more in line with a wider range of local household resources.

(2) The created frameworks of scheme 'viability' over the past few years has underpinned growing expectations from the housebuilding sector that specific levels of profit are required for particular firms to proceed with built schemes. Other bodies, particularly community-led projects and SME entrepreneurs, could proceed with accepting lower levels of returns and still make built schemes 'viable'. The retention of sites within housebuilders land banks for years, only to result in a firm deciding not to proceed with development due to the demands of its own business model, is restricting suitable or available use of such land by other parties more willing to embark on site development under different terms.

(3) It will be extremely beneficial if the existence of 'options' agreed on sites for housing development was available in the public domain, together with the details of the parties concerned (this should be possible without the inclusion of figures relating to commercial agreements). It would also be extremely valuable if the total extent of such options was to be a requirement for mapping into the detail recorded on local development plans produced by the planning authority, so that the extent of such prior agreements is more transparent.

With best regards,

[REDACTED]