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Rt Hon Rishi Sunak MP

Prime Minister  
10 Downing Street  
London  
SW1A 2AA

Dear Prime Minister,

The country faces a worsening housing crisis. The answer, quite simply, is to build more new homes. However, while the solution may be clear, delivering it has become increasingly difficult as a result of your government's anti-development policies. This is particularly so for small and medium-sized (SME) house builders, who are struggling to cope under the increasing weight of bureaucracy.

As a group of SME residential developers, we are writing to inform you that we are facing multiple existential threats to the survival of our businesses, as identified by the Home Builders Federation's (HBF) recent report, *State of Play*, unless solutions are found to the barriers preventing us from building the new homes this country so desperately needs.

Our businesses are critical not just for contributions we make to housing supply and economic activity, but for ensuring a diverse and thriving housing market, maintaining and developing a pipeline of skilled workers and forging lasting links with local communities.

With our focus on smaller sites, we are uniquely placed to understand the complexities of local housing need. Furthermore, the disproportionately large number of apprentices we train and employ, means that we do not just build communities, we invest in them.

It is estimated that there are today 85% fewer small home builders than there was a generation ago, but the barriers we experience today threaten to obliterate the contribution to housing supply from our local businesses. A recent poll of more than 200 SME home builders found that 93% were considering scaling back their residential construction activities or changing business direction, therefore cutting investment in the home building sector.

The Housing Secretary recently implored the Competition and Markets Authority to explore the reasons for the diminution of SMEs in our sector. Today, we write to you asking you to act in areas where recent government actions have significantly affected the viability of small home building businesses:

- **Planning process**  
The number one barrier for smaller builders is the increasingly cumbersome and inefficient planning process which sadly has worsened because of recent unhelpful interventions by your government. At a local level under-resourced Local Planning Authorities and the associated lengthy delays in securing planning permissions and the discharging of conditions are adding months, sometimes years, to the time it takes for developers to start putting shovels in the ground. And with capital tied up, many SMEs simply do not have the resources to operate which is threatening the very existence of our businesses.

- **Planning reform**  
Your government's proposed reforms to the National Planning Policy Framework (NPPF), particularly the removal of mandatory housing targets and a softening of the Five-Year Land Supply Requirement, will be catastrophic for the housing industry and particularly for smaller builders. These changes, with Local Authorities planning to build less housing, will make it even more difficult to obtain planning consent, increasing uncertainty and cost. Any investment will also be slower to make a return and the prospect of failure will also increase, making some sites unviable altogether.

Pre-planning costs necessary to even have a hope of securing a planning consent have risen enormously in recent years and all of these costs must be met by SMEs at their own risk with typically no access to finance.

We have already seen permissions for new homes fall to the lowest level on record and in anticipation of the reforms to date 58 LPAs have already delayed or stopped local plan making. It is anticipated that housing supply could fall by at least 77,000 homes per year, solely as a result of the changes to the NPPF.

- **Government quangos imposing anti-development restrictions**  
Four years ago, the government's agency, Natural England began to use an EU court ruling to block new development in the south of England. Since then, the government has imposed restrictions across swathes of the country from the Tees Valley to Cornwall. Today more than 145,000 new homes across 74 Local Authorities unable to proceed because of a requirement imposed by Natural England to evidence 'nutrient neutrality' on new housing schemes. Elsewhere, Natural England is intervening citing 'water neutrality' and 'recreational impact zones'. Some SMEs have seen their entire development area engulfed in these restrictions and, unable to build, are laying off teams of longstanding staff.
- **Cumulative burden of new taxes, regulations and policies**  
There are multiple new policies, legislation and regulatory interventions which will add at least £20,000 to the cost of building each new home and will have an impact on the financial viability of developments.
- **Skills shortages and increasing costs**  
Due to the high levels of inflation, supply chain issues and challenging economic environment, we are facing a myriad of increased costs including energy, materials, labour, and planning.

The home building industry is a major employer across the UK with an estimated 800,000 people directly or indirectly employed in the delivery of new homes. However, the sector faces a major skills shortage due in part to an ageing workforce and a severe loss of skills in the Great Financial Crash. Whilst the industry has done much to address this in recent years, the government's anti-development and anti-business messaging and the ever-changing policy environment makes recruitment increasingly difficult as the industry is seen as unattractive, particularly for young people.

## **Ensuring the survival and growth of SME developers**

SME businesses are the lifeblood of all industries that comprise our country's economy, and homebuilding is no exception. However, the sheer number and complexity of the challenges facing developers means that for many of us, difficult decisions will need to be made with regards to investment, delivery and employment.

It has never been more difficult to be an SME developer than it has at the present time. It is vital that action is taken to support those of us that remain, so that we stand a chance of surviving and playing our part in addressing the housing crisis, delivering economic growth and preserving the 800,000 roles the industry supports.

Every business that vanishes represents a loss of housing, jobs, economic activity and developer contributions, on which local authorities are increasingly reliant for affordable housing and other important community facilities. The impact of such a loss will be felt across the generations, but particularly by younger households for whom home ownership remains a distant dream.

SME developers remain committed to addressing the country's housing crisis and to increasing home ownership, but we cannot do it without a change of direction and policy from the government.

Prime Minister, your government's current and proposed policies are devastating our industry. It is not too late to turn things around. Please help us before even more damage is done.

Yours sincerely,

3West Group  
A B Canham & Son  
A.R.Cartwright Construction Ltd  
Acorn Developments SW Ltd  
Acumen Designers and Architects Ltd  
Aile Homes Ltd  
Allison Group  
Amara Property  
Amethyst Homes  
Antler Homes  
Aquinna Homes plc  
Archway Homes Ltd  
Arlington Rowe Ltd  
Ashgrove Homes Ltd  
Aspen Homes Ltd  
Aspire Designer Homes Ltd

Hellens Group  
Highwood Group Ltd  
Hills Homes Developments Ltd  
Hollins Homes  
Holroyd Homes  
Horn & Horne Ltd  
J A B Short Ltd  
James Wimpenny Homes Ltd  
Jelson Holdings  
John Radcliffe & Sons Ltd  
Kebbell Homes  
Kellen Homes  
Keyworker Homes  
King and Johnston Homes  
Kingerlee Homes  
Kingsman Homes Ltd

Astonhill Land Ltd  
Astrantia Property  
Autograph Homes  
Baddow Estates Ltd  
Bargate Homes Ltd  
Beal Homes  
Belgrave Homes Ltd  
Ben Bailey Homes  
Bewley Homes  
Black Gold Developments (UK) Ltd  
Blakesley Estates LLP  
Bowbridge Homes  
Briarsgate Homes  
BRiCS Development Ltd  
Broadleaf Group Ltd  
Burrington Estates (New Homes) Ltd  
Cameron Homes Ltd  
Canbury Homes  
Carr & Carr (Builders) Ltd  
Castle Green Homes  
Castlethorpe Homes Ltd  
Cavanna Homes  
CG Fry & Son Ltd  
Chandlers Homes Ltd  
Charlew Developments Ltd  
Chevin Homes  
Clarence Country Homes  
Cleanslate Ltd  
Clutton Homes  
Conroy Brook Developments Ltd  
Cora Homes Ltd  
Corvum LLP  
Country Estates Ltd  
CountyLife Homes Ltd  
Create Properties Ltd  
Cussins (North East) Ltd  
D Mason Developments  
D Noble Ltd  
Darcliffe Homes  
Davies Homes Ltd  
Deanfield Homes  
Devine Homes plc  
DH Guildford Ltd  
Dimora Homes Ltd  
Dorchester Living  
EAB Homes Ltd  
Edgefold Homes Ltd  
Eight\_One Two Architects  
Elivia Homes  
Elmridge Developments Ltd  
Erris Homes Ltd  
Esquire Developments Ltd  
Fairgrove Developments Ltd  
Fenwood Estates Ltd  
Fernfield Homes Ltd  
Firmstone UK LLP  
Fruition Properties  
Gade Homes  
Kingswood Homes  
L&W Wilson (Higham) Ltd  
Lagan Homes  
Lansdown Remediation  
L'Arche Developments (Yorkshire) Ltd  
Lioncourt Homes Holdings Ltd  
LiveWest Homes  
Mallard Homes  
Mark Randall Developments Ltd  
Marshall (Building Contractors) Ltd  
MD Projects London Ltd  
Metis Homes Ltd  
Millbank  
Millwood Designer Homes  
Montreaux  
Moon Tree Developments Ltd  
Mulgrave Properties Ltd  
Northstone  
Oak Developments (Bedfordshire) Ltd  
Oakbridge Homes Ltd  
Oakmere Homes  
Octagon Group Holdings Ltd  
O'Flanagan Homes  
Orange Design Studio Ltd  
Orion Homes Ltd  
Osprey Homes Ltd  
Paisley Properties  
Palladian (York) Ltd  
Pennine Developments (UK) Ltd  
Pennyfarthing Homes Ltd  
Pluto Investment Management  
Prospect Homes  
RB Developments Ltd  
Rectory Homes Ltd  
Redtale Holdings  
Richborough Estates  
Roffey Homes  
Ronan Developments Ltd  
Rose Builders Ltd  
Rural Construction  
S B Homes Ltd  
Seddon Homes  
SG Estates Ltd  
Shropshire Homes Ltd  
Sigma Homes Ltd  
Skipton Properties Ltd  
Spitfire Homes  
Stocksfield Group  
Stonebridge Homes  
Story Homes  
Strata  
Stratfield Homes Ltd  
Strongvox Ltd  
Tenstone homes  
Tern Developments Ltd  
TimberTight  
Troy Homes  
VerdeGo Group  
Wealden Homes

Galion Ltd  
Generator Group  
Genesis Homes  
Gilbert Homes  
Goscombe Group  
Gower Homes  
H3 Property Consultants  
Harbright Ltd  
Hayfield Homes

Westbuild Homes  
Wheatroyd Developments  
Wheeldon Brothers Ltd  
Willan Trading Ltd  
William Lacey Group Ltd  
Windborough Homes Ltd  
Wonderful Homes Ltd  
Woodstock Homes