

Andrew Short

Department for Communities and Local
Government
Third Floor
Fry Block 2
Marsham Street
London SW1P 4DF

Date: 06 February 2015

Dear Mr Short

Consultation on Starter Homes for first time buyers

I am grateful for the opportunity to respond to the consultation on a new Starter Homes scheme for urban exception sites on behalf of the Mayor of London. The Mayor warmly welcomes this scheme as an important contribution to building the additional new homes this country needs. He is encouraged that the London Borough of Bexley is already taking part as a vanguard authority, and hopes that other London boroughs will soon join them.

The Mayor wants London to lead the way in developing this scheme and is keen to work closely with DCLG to maximise its benefits. To that end he believes the scheme could go further to include a wider range of housing products, such as shared ownership or Affordable Rent. This mix of provision is particularly important for London, where the mortgage deposit required at even 80 per cent of market value is likely to preclude a large number of Londoners from taking part.

The proposed scheme is quite rightly targeted at bringing housing land into use that is currently under-used or unviable. The pressure on commercial and industrial land in London is such that the policy should be carefully designed to ensure that only truly under-used and unviable land is redeveloped for Starter Homes, in order to ensure sustainable and balanced growth of both housing and economic activity as set out in the National Planning Policy Framework. The Mayor therefore believes that the text in paragraph 9 of the consultation paper should make it clear that applicants will be required to demonstrate that the site in question is vacant or under-used and is not viable for industrial or commercial purposes. The policy should also include provision for land to be released for Starter Homes if it becomes clear as part of a local planning authority's regular review of allocated employment sites that it is no longer required or viable for that purpose, as outlined in paragraph 15.

It is also important that local authorities view proposed Starter Homes developments on individual sites in the wider context of any neighbouring land remaining in industrial or commercial use. Without such a strategic view, releasing pockets of such land for residential use could create

conflicts between residential amenity and ongoing industrial or commercial activity on neighbouring sites, undermining the future viability of vital activities and associated employment.

Starter Homes should demonstrate the highest standards of design quality, and the Mayor welcomes the appointment of the Design Advisory Panel as an important step towards achieving this aim. London has established standards on housing quality and the Mayor has been working closely with the Government on its Housing Standards Review (HSR) to develop national standards that meet the same aims. The Mayor has committed to updating his London Plan to reflect the outcome of the HSR and is keen to ensure that these standards are applied to all new housing in London including starter homes. In order to facilitate the delivery of Starter Homes the policy statement should also clarify the circumstances in which other planning obligations can be required.

Given the high value of a 20 per cent discount on London prices and the particular constraints on affordability in the capital, the Mayor believes it is important that Starter Homes delivered in London should keep this discount in perpetuity for future buyers. Existing Discounted Market Sale models already used in London allow for discounts on properties to be maintained in perpetuity, and can serve as a model for the Starter Homes scheme.

Officers from the GLA would be happy to discuss these issues in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jamie Ratcliff', with a stylized, flowing script.

Jamie Ratcliff

Assistant Director - Programme, Policy and Services
Housing and Land
Greater London Authority