

Capital gains: a better land assembly model for London

Research

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Key information

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Overview

The GLA has published research setting out how the process of assembling land for housing development could be improved.

The Mayor believes the only way to solve London's housing crisis over the long term is to build significantly more homes, and this will require the timely assembly of sites which are often in a variety of different ownerships.

However, land assembly can be a complex and time-consuming process, and can therefore be a major barrier to delivery of new homes. 'Capital gains: a better land assembly model for London' explores models of land assembly that are currently applied internationally, and considers how they could support an increase in and acceleration of housing delivery in London.

Research and recommendations

The research was commissioned by the GLA and delivered by Urbanism Environment and Design (URBED), Dentons, Gerald Eve and Housing Futures Ltd.

The research makes recommendations in four key areas:

- **Resourcing land assembly:** government should significantly increase the funding available to support land assembly in London, and a multi-disciplinary team should be established with specialist skills to support public and private land assembly.
- **Incentivising voluntary land assembly:** statutory mechanisms should be established to underpin and incentivise voluntary land assembly, with the objective of minimising the number of landowners ‘holding out’ for an increase in land values.
- **Compulsory acquisition of sites:** where attempts to assemble land by voluntary means have failed, compulsory purchase powers should be used. To streamline this process, Government should devolve additional compulsory purchase powers to the Mayor and amend national guidance to promote better use of powers.
- **Strategic planning for land assembly:** councils should designate Land Assembly Zones to focus resources in areas with greatest potential for growth. There should be a commitment from the council to exercise compulsory purchase powers in these Zones, where published criteria have been met. Government should introduce additional planning powers to minimise speculation and increases in land value as a result of these designations, including the ability for councils to freeze land values and defer planning decisions in these Zones.

In drawing its conclusions, the research considers land assembly mechanisms used in the UK in the past, as well as those utilised in France, Germany, the Netherlands and the USA. The research has also been influenced by an Advisory Group comprising a range of organisations with an interest in land assembly.

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