

# London's affordable housing funding requirement

## Research

Sadiq Khan at the showing of some affordable homes

## Key information

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## 1. The research

London needs £4.9bn a year between 2023-24 and 2027-28 to deliver the affordable homes it needs.

This is one of the findings of the research report commissioned by the Greater London Authority (GLA) and produced by Savills Affordable Housing. The report was commissioned in January 2022 and published in December 2022.

In November 2020, the Mayor secured £4bn over a five-year period from the Government to deliver affordable homes in London through the new Affordable Homes Programme 2021-2026. The Savills research reveals that London would require an additional £4.4bn annually (£22.2bn over five years) to deliver the number of affordable homes that London needs. That's equivalent to more than six times the funding settlement London received in 2020.

The Savills research highlights that the combined impact of building safety works required to reduce fire risk and the need to bring existing stock up to higher environmental standards will cost providers roughly £5,000 per existing home. Without targeted government support, providers are likely to draw upon their investment capacity, limiting their ability to deliver the affordable homes that London needs.

The Savills research recognise that London's housing construction industry will need to grow by around 30 per cent in order to deliver the affordable homes that London needs – an increase of about 20,000 workers.

In carrying out the research, Savills was supported by a small group of external stakeholders comprising representatives from London Councils, the G15 and the G320, the detailed analysis has built from the ground up, aggregating borough-level data on costs, revenues, and other key factors, to provide a pan-London view.

[Download the full report](#)

In 2019 the GLA published a similar report. However, in light of key changes in the policy, economic and operational environment since then, it is no longer up to date.

[Download the 2019 report](#)