Financing housing in London

Key information

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Introduction

The London Assembly Housing Committee will hold a meeting on the financing of housing in London.

Investigation aims and objectives (Terms of Reference)

- Understand the different ways in which social housing is financed in London, alongside other tenures.
- Examine how else private and public finance could be used to build more social and affordable homes, and any barriers currently preventing this happening
- Examine what the Mayor could do to encourage more private and public investment in housebuilding in London across all tenures.

Key issues

- There is a sustained housing crisis in London. Accessing genuinely affordable housing is a huge challenge for Londoners, and development of new housing is slowing under challenging economic conditions. To help address this, London should explore innovative ways to deliver more affordable housing.
- The 2021 London Plan set a target of 52,000 homes a year for the next ten years, of which 50 percent need to be “genuinely affordable.” This target has never been met.
- The new National Planning Policy Framework (NPPF) sets a new overall housing target for London of 87,992 homes per year, a significant increase on the previous target.
- While private investment in social housing has existed since the 1980s, the sector and investors are both keen to find new ways to develop partnerships and deliver more homes.

Key questions

- How is housing currently financed in London? What are the benefits and risks of different financing models?
- Are for-profit housing associations expanding their stock in London? Could this model be used to increase housing delivery?
- Could private investment help London boroughs meet the new NPPF housing targets?
- Are there ways to increase the amount of finance for social housing in London?
- What will Opportunity London deliver on financing social housing alongside other tenures? What impact has it already had?
- What could the Mayor do to encourage private investment in London's social housing?
- Is there a role for privately-financed "build to rent" social housing?

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