

Explaining the emergency housebuilding measures

Person sat in yellow digger on construction site

Key information

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Introduction

On the 23 October 2025, the Government and Mayor of London announced emergency measures designed to increase housebuilding in London and to tackle the housing crisis.

This post by William Weihermüller (Policy Officer – Planning and Regeneration) sets out why the measures have been introduced, the changes included in the measures, reactions from the development industry and other stakeholders, and next steps.

Why have the emergency measures been announced?

According to the Ministry of Housing, Communities and Local Government (MHCLG), the measures are motivated by the “significant challenges” faced by the housebuilding sector in recent years.^[1] According to Amy Jones of planning and development consultancy Lichfields, these challenges include the growing cost of construction, uncertainty around fire regulations, high interest rates, and an environment characterised by complex and often competing policy.^[2] As seen below, these challenges have contributed to a drop in GLA-funded affordable housing starts and completions in recent years.

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Figure -

What are the emergency measures?

The emergency measures are made up of five core components, which are discussed in more detail below. ^[3]

1. A temporary relief from the Community Infrastructure Levy (CIL)
2. Removal of guidance which can constrain density
3. Offering a time-limited planning route to developers
4. Granting the Mayor new planning powers
5. Establishing a City Hall Developer Investment Fund

A temporary relief from the Community Infrastructure Levy (CIL)

CIL is a charge on landowners which can be applied by local authorities on development in their area, to pay for infrastructure and services such as schools, community facilities, transport improvements, and parks. ^[4]

The proposals would include a temporary reduction of CIL charges by 50 per cent on schemes which deliver at least 20 per cent affordable housing. ^[5] In schemes that deliver more than 20 per cent affordable housing, the relief can exceed 50 per cent. Only schemes that are developed on brownfield sites, land which has previously been developed, would be eligible for CIL relief. ^[6]

Removal of guidance which can constrain density

The Mayor has proposed removing guidance from the London Plan that limits development density. This includes reducing requirements for developments to include cycle storage and dual aspect ^[7] for flats, and removing limits on the number of flats that can be built around a building core. ^[8]

Offering a time-limited planning route to developers

The proposed time-limited planning route will allow residential schemes on private land that can provide at least 20 per cent affordable housing to proceed without an upfront viability assessment, the process of deciding if a proposed development is financially workable. These schemes would also be allowed to access grant funding for around half of the affordable homes delivered. This route would lower the affordable housing target for eligible schemes from the current requirement of 35 per cent affordable housing to 20 per cent. The proposal states that this route will be open until 31 March 2028 or the publication of the revised London Plan if this is earlier, and will not apply to sites on the Grey or Green Belt, or for student accommodation or purpose-built shared living. ^[9]

Granting the Mayor new powers

The Government propose granting the Mayor two additional planning powers, on top of his existing powers.

1. The first is a requirement for boroughs to refer planning schemes of 50 units or more to the Mayor when they are minded to refuse the application. This would enable the Mayor to review the decision.
2. The second power would give the Mayor the ability to 'call-in' development of a building of 1,000 sqm or more on Green Belt or Metropolitan Open Land. ^[10] This would make the Mayor the local planning

authority for these applications.^[11]

Establishing a City Hall Developer Investment Fund

The final measure included in the proposals is the confirmation of £322 million of initial grant funding for the Mayor to establish a City Hall Developer fund. This fund will become available in 2026-27 and will be used by the Mayor to take a “more direct and interventionist role to unlock thousands of new homes, including through targeted investment to accelerate delivery on sites”.^[12] Tom Copley, Deputy Mayor for Housing, told the Housing Committee in September that the City Hall Developer Investment Fund will enable the GLA to “provide different types of financing that will help to get some of these stalled sites moving once again.”^[13]

What has the reaction been?

Some stakeholders in the development and housing industry, including developers Ballymore and Vistry Group and Housing Associations L&Q and Clarion Housing Group, welcomed the emergency measures citing the impact they will have on accelerating the delivery of housing, including affordable housing.^[14]

Councillor Grace Williams, London Councils Executive Member for Housing and Regeneration, stated that the measures represented a significant change in approach. She added that boroughs will be looking at the changes in detail to understand the implications for housing delivery, but that ultimately “with boroughs having already granted planning permission for almost 300,000 homes in London that are yet to be built, we need to ensure housebuilders deliver on their commitments”.^[15]

Kate Henderson, Chief Executive of the National Housing Federation (NHF), stated that whilst the NHF “don’t want to see affordable housing ambitions watered down”, it hopes that the measures will facilitate more development. She called for the measures to be “followed by ambitious plans to boost social housebuilding.”^[16] Gavin Smart, Chief Executive of the Chartered Institute of Housing, stated that the reduction in affordable housing “must be a temporary measure and cannot set a precedent for affordable home targets more widely.” He called on the government to set clear timelines for reverting back to the 35 per cent affordable homes target.^[17]

Daisy Armstrong, Chair of the G15 Resident’s Group, called the cut to the affordable housebuilding threshold “a step in the wrong direction.” The G15 called for ring-fenced funding for Decent Homes 2.0, higher grant rates for social homes and a reformed approach to regeneration funding, and maintaining the affordability of social rents.^[18]

Maurice Lange, Analyst at the Centre for Cities, wrote in response to the announcement that more work needs to be done to resolve problems with the Building Safety Regulator and to introduce further measures to reduce costs of development. He added that a substantial increase in affordable housebuilding would require an increase in public spending.^[19]

What are the next steps?

On the 27 November 2025, MHCLG [launched a consultation](#) on two of the proposals included in the emergency measures. This consultation seeks views on the temporary relief to CIL, and the changes to the Mayor’s planning

powers. The deadline for responses is midnight on 22 January 2026.

On the same day, the Mayor of London launched a public consultation on a draft [Support for Housebuilding London Plan Guidance](#) (LPG). This draft LPG includes the time-limited changes to cycle parking requirements, housing design guidance and the new planning route for affordable housing. Like the MHCLG consultation, this public consultation will be open until midnight on the 22 January 2026.

As of writing, the City Hall Developer Investment Fund has received £322 million in initial government funding. On 25 November 2025, the Mayor announced that his team was in discussion with the Government about further funding allocations.^[20]

References

[1] Ministry of Housing, Communities and Local Government, [New measures announced to ramp up housebuilding in London](#), (2025)

[2] Lichfields, [Emergency measures to unlock housebuilding in The Capital](#), (2025)

[3] Ministry of Housing, Communities and Local Government, [Homes for London: A package of support for housebuilding in the capital](#), (2025)

[4] Savills, [In plain English: Community Infrastructure Levy](#), (2022)

[5] Affordable housing, as defined in the NPPF, includes tenures such as social housing, affordable housing for rent and discounted market sales housing. In addition, the Mayor has previously identified a preference for certain affordable tenures which he categorises as “genuinely affordable”.

[6] Ministry of Housing, Communities and Local Government, [Homes for London: A package of support for housebuilding in the capital](#), (2025)

[7] A flat which has been designed to have windows on two or more walls.

[8] Ministry of Housing, Communities and Local Government, [Homes for London: A package of support for housebuilding in the capital](#), (2025)

[9] Ministry of Housing, Communities and Local Government, [Homes for London: A package of support for housebuilding in the capital](#), (2025)

[10] Ministry of Housing, Communities and Local Government, [Homes for London: A package of support for housebuilding in the capital](#), (2025)

[11] Mayor of London, [Public Hearings and Mayoral call-ins](#), page accessed 5 December 2025

[12] Ministry of Housing, Communities and Local Government, [Homes for London: A package of support for housebuilding in the capital](#), (2025)

[13] London Assembly Housing Committee, [Tuesday 9 September Transcript](#), (2025)

[14] Ministry of Housing, Communities and Local Government, [Stakeholder reaction to plans to ramp up housebuilding in London](#), (2025)

[15] London Councils, [London Councils responds to housing announcements from the government and Mayor of London](#), (2025)

[16] National Housing Federation, [NHF response to London housebuilding announcements](#), (2025)

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[18] Inside Housing, [The G15 Residents' Group: our top three priorities for the Autumn Budget](#), (2025)

[19] Centre for Cities, [Support package: London housebuilding, the 'emergency measures', and what further action is needed](#), (2025)

[20] Mayor of London, [City Hall Developer Investment Fund \(2\)](#), (2025)

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