

# MR Josh Fenton comments

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Part of Boris Johnson's 2011 London Plan was presented with the aim of solving what was at that time an imminent housing crisis. The Plan expressed the intent to 'rigorously approach housing development' in order to meet the need, stating that a build rate of 34,900 homes per year would satisfy both the future demand and the back-log as created by failings over the 10 years prior.

Well, it would seem that the gears have come unstuck, and what was once a possibility is a definite reality. We are amidst a housing crisis – yet that phrase is going unmentioned by many despite the wealth of evidence. The housing agenda, as proposed in the new London Plan issued in December 2017 by Sadiq Khan and his team is indicative of a frantic search in the dark for solutions to the task of housing London's burgeoning population. Amongst some of the key policy items are: removal of density limits near town centres and transport hubs, working with local boroughs to dissuade land banking tactics and most significantly a new build rate of 64,900.

The policies all sound very nice, but when examined closely they seem to be a thinly veiled bluff. Employing similar methods and with similar tenacity Boris Johnson didn't manage to come close to his significantly lower targets, scratching out a meagre 29,000 units in his final year in office. It seems a little bit like a de ja vu moment. The Mayor enters stage left, promising that they can save the world but end up delivering very little. Back in 2011 Johnson had promised that if the upper target of 34,900 was met the knock on effect would be a return to levels of affordability last seen in 2007, grandiose promises such as this have been dropped from the 2017 document but the sentiment is still there, just in the form of the key watchword – "affordable housing".

In order to make these units affordable the GLA faces an interesting conundrum whereby they are asking those building the units to build faster despite that having a detrimental effect on housebuilders profits. Policy GC4 talks of how there will be cash made available to incentivise “build-out milestones help ensure that homes are built quickly”, it is stated that this could also prevent the housebuilders holding land with planning before selling on at a profit. What is not explained is where this cash is coming from. We know that some of the £44bn package of loans and investment released by the Chancellor made its way into the £3.1bn yearly Mayoral budget, but what is the point if the funds are going to be used to prop up a sector which has continually failed to service the needs of the country and manipulate the market for its own gain. Perhaps the City of London should loan itself the money, initiate the training of young construction workers, source the land and subsequently build on that land. But that is another discussion.

Khan has also stated that there are plans to stipulate an average 50% affordable housing provision for new sites, especially ex-public land. In order to make this more attractive to house builders, there is fast-track planning on offer for sites with a minimum of 35% provision. This would speed up and theoretically economise the development process. The only problem is that according the Government’s own Department for Communities and Local Government (DCLG) 2015 report, on average 32% of all newly constructed housing has been “affordable”, assuming that the developers have a keen eye for a good deal they will steer clear of public land and throw a morsel of 3% additional affordable provision onto their sites.

It must be said that there are some diversions from history, for example the new Plan does introduce the idea of exploiting public land for the public good. instead of passing it over to the private domain. The 10-acre site of Holloway prison is one such example, capable of delivering an extra 1,000 homes. Overall however there isn’t much for buyers or renters of the Capital to celebrate, though there may not be many buyers left. The document also outlines plans for increased support for “Build-to-Rent” schemes, This is part of a much wider issue of stagnating wages and changing economic lifestyles, but this is perhaps the worst symptom of the housing crisis. As more and more younger generations ‘voluntarily’ move towards a rental model they soon find out that that despite regular rental reform landlords nimbly shift to levy increasingly oppressive rents onto tenants.