

## The current state of play in the Mayor of London's housing plans

### Introduction

On 24 October 2016 the Mayor of London published a new document [“A City for all Londoners”](#) described as a statement of his ambitions as Mayor. It is the first step towards the creation of a new ‘London Plan’ – the spatial development strategy for the capital.

This new publication builds on many of the manifesto promises made by the Mayor who described his recent election as a “referendum on housing”. His manifesto set out that tackling the housing crisis is his “first priority” as it presents “the single biggest barrier to prosperity, growth and fairness facing Londoners today”.

The Mayor’s manifesto identified a need for “50,000 new homes a year” and set “a target of half of all the new homes that are built across London being genuinely affordable to rent or buy.” This is repeated in the new document with a plan to “work towards a strategic, London-wide target for 50% of new homes in London to be affordable.”

The Mayor’s manifesto promised “a step change in new housing supply, to rent and to buy, with first dibs for Londoners, and exploring incentives for businesses to provide investment in new homes which could benefit their workforce.” However, the Mayor has also acknowledged that the system is not going to be fixed overnight.

### A City for all Londoners

The new publication summarises the Mayor’s plans in respect of accommodating growth, housing, economy, environment, transport and public space. The document describes efforts to address London’s housing problems as “a marathon not a sprint” as these problems are “far reaching and deep-seated”.

### Homes for Londoners

The Mayor’s vision is in part to be achieved by the creation of a new team at the heart of City Hall - Homes for Londoners (“HFL”). HFL have been tasked with bringing together “all the Mayor’s housing, planning, funding, and land powers alongside new experts to raise investment, assemble land, make sure Londoners get a fair deal from developers, and commission and construct new homes.”

James Murray has been appointed the new Deputy Mayor for Housing and Residential Development.

A key ambition of HFL is to drive up homebuilding by:

- making sure the right policies and funding streams are in place to support all developers, investors, housing associations, councils and others in building the homes Londoners need;

- using all relevant land and planning powers to support public and private development, unlocking development sites and bringing forward surplus public land;
- driving forward development in key areas across the capital and making sure opportunities for more affordable homes aren't missed; and
- exploring and promoting innovative construction methods, and working with the wider construction sector to develop the skilled workforce required to build thousands of new homes for Londoners.

### **Affordability and the Planning Process**

The "A City for all Londoners" document confirms that the Mayor intends to publish supplementary planning guidance ("SPG") on maximising affordable housing provision later in 2016. This new SPG is likely to include a new definition of "*genuinely* affordable housing" beyond that contained in the National Planning Policy Framework. The Mayor has expressed concern that "no more than 80% of the local market rent", the definition provided by the NPPF, does not translate as affordable in London. The new definition is likely to refer to the London Living Rent, shared ownership schemes and social rents.

The new planning guidance is also likely to include a methodology for viability assessments in the planning process and an optional affordable housing tariff. City Hall are consulting with developers on the option of a flat 35% rate of affordable housing tariff – part of the aim of such a scheme being to speed up planning permission.

There are plans to concentrate housing development at higher densities around transport infrastructure to make the best use of space and connections. Investment in transport infrastructure is seen as a key to unlocking the development of many new homes across the capital.

### **London Living Rent**

In September, the Mayor announced plans to introduce the London Living Rent. This is proposed to take the form of a new type of tenancy for newly-built affordable homes. The aim is to help average earners in London save for a deposit by offering them a below-market rent.

London Living Rent homes will have rents based on a third of average (median) local gross household incomes in each borough. New homes will be offered to low and middle-income households, typically earning between £35,000 and £45,000, who are currently renting privately. The Mayor has announced that across London, this would see the rent for a two-bed flat drop below £1,000 – compared to average private rents of £1,450.

The London Borough of Hackney are the first borough to commit to getting 500 homes built at the London Living Rent.

### **Estate Regeneration**

On estate regeneration, the Mayor's Manifesto states that he plans to require that "estate regeneration only takes place where there is resident support, based on full and transparent consultation, and that demolition is only permitted where it does not result in a loss of social housing, or where all other options have been exhausted, with full rights to return for displaced tenants and a fair deal for leaseholders." It is not clear how he proposes to achieve those aims.

### **Home ownership and renting**

The Mayor's manifesto also addressed issues concerning home ownership and renting – highlighting concerns in respect of high agency fees and low property standards. The manifesto emphasised that for young families and individuals on average incomes, housing is increasingly unaffordable – with home ownership a distant dream.

The Mayor's plans include working alongside boroughs to promote landlord licensing schemes to drive up standards, and make the case to government for London-wide landlord licensing. He plans to name and shame "rogue" landlords. As well as a modernised private rented sector, the Mayor emphasised that London needs to "protect its social housing as a vital asset."

### **Homelessness and Rough Sleeping**

On rough sleeping and homelessness, the Mayor aims to reverse the trend that has seen the number of people sleeping rough in the capital more than double in the past eight years. Part of these plans include the intention to coordinate councils' efforts to find stable private rented housing for those in need who are not able to move into social housing, instead of desperate boroughs being forced to outbid each other for homes from landlords.

In October, the Mayor announced a new taskforce dedicated to helping tackle the rise in the number of people sleeping rough on London's streets. The new 'No Nights Sleeping Rough Taskforce' will be chaired by the Deputy Mayor for Housing and Residential Development. The taskforce plans to identify what new interventions may be needed to tackle specific problems, and lobby government for support where necessary.

The five Boroughs with the highest number of rough sleepers will work together with the voluntary sector and other public sector organisations with the aim to help people who are sleeping rough and to prevent people ending up on the street in the first place. Funding for supported housing and mental health provision for rough sleepers are high up on the agenda. This recognises that housing supply is not the only problem and a complex mix of social issues and changes to welfare also contribute to the levels of homelessness.

The document also recognises that homelessness affects far more people than those who are sleeping rough. It explains that local authorities are responsible for finding homes for these people, but their task is extremely challenging under the current circumstances - homes of all kinds are scarce, housing costs are rising, welfare reforms are making it harder to sustain tenancies and local-government budgets are limited.

The Mayor does not have direct powers in this area, but wants to take a leadership role. The document explains that the Mayor is working with London boroughs to identify ways in which a pan-London approach might be more effective – for example by coordinating rates for temporary accommodation, which could result in better deals and more places for homeless people to live.

## **Conclusion**

The Mayor has a clear vision for Housing in London. At the centre of that vision is an ambition to build more of the right kinds of housing for Londoners. Getting the right mix of affordable housing in new developments will be a key factor in the success of his plans. This focus is understandable as it is probably the area over which he has the greatest potential influence.

However, he also envisages a more proactive role in areas such as rough sleeping, homelessness prevention and the improvement of the private rented sector. These are pressing concerns and coherent thinking and leadership on these issues is welcomed. Whether he can influence the government act on some of these issues is another question all together. If not, the impact of his plans may be more limited than he would wish.

The Mayor recognises that many of his plans “can only be achieved in partnership with local authorities and developers” and the success or failure of those plans will largely depend on efforts to foster those working relationships. The outcome of those efforts remains to be seen.

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