

## Mayor of London

### Consultation on the draft London Plan Guidance: Support for housebuilding (November 2025)

#### Introductory comments

POS considers that these measures are fundamentally misplaced. They confuse the need for new homes with the demand for housing. This is a major policy failure that has been repeated by successive governments since the 1980s. Whilst the need for homes is clear, few people can afford to buy in the current housing market; mortgage costs remain relatively high and the deposit required is unaffordable for most people. The social housing model has been broken since 2011 and the consequential demand for temporary accommodation represents a huge drain on public money that is taking many councils to the verge of if not into bankruptcy. The private housebuilding sector will not build our way out of these problems; they're job is to make money for their shareholders out of building and selling homes and if they do not think they can sell, they will not build. Given these structural failings in the housing market, this stimulus package fails to address the underlying problems. It is fundamentally about economics, but once again changes to the planning system are proposed to give the appearance of action, but the fundamental problems remain unaddressed.

POS has previously set out its views and recommendations on the housing crisis [here](#).

Consultation Questions	POS London Response
1: Are the proposed changes to the cycle parking standards, in conjunction with the wider package proposed by this consultation, likely to make a material difference to the viability of residential schemes while still providing sufficient cycle parking to enable sustainable growth in London and mode shift?	It is axiomatic that a reduction in cycle parking numbers will reduce the need for space dedicated to that purpose within a development. If that space is then used for economically more beneficial purposes and also results in the need for less expensive forms of construction (eg reduced basement space) and savings in the provision of cycle parking infrastructure (racks etc) then it must have a positive impact on viability, commensurate with any additional income and construction cost savings. Whether that difference is material will depend on the particulars of each development.
2: Do you consider that the guidance on flexibility and quality in sections 2.3 and 2.4 of the guidance will address development viability and cycle parking quality challenges?	Yes, but the guidance does not sufficiently reflect the clear desire by Londoners, especially its younger cohorts, to hire items such as bicycles, rather than own them.  With respect to para 2.4.3 (3) Locating cycle stores within dwellings: consideration needs to be given to the dangers of storing electric bikes and the significant fire risks associated with them.
3: The GLA welcomes views on the proposed changes to the housing design standards.	The GLA Housing Design Standards are guidance and are currently applied flexibly by most LPAs.  POS London does not consider that reducing standards in order to increase numbers is a sensible or acceptable policy response because it sends a general message that numbers are more important than quality. No evidence has been produced as part of the consultation that demonstrates that these design standards materially reduce housing numbers.  POS London would support further research on the assumptions behind the dual aspect policy, particularly with respect to the impacts of climate change on solar gain and other associated impacts within buildings.
4: The GLA welcomes views on the time-limited planning route. Do you agree that this will support the early delivery of housing development whilst also maximising affordable	There is no explanation as to why 20% has been chosen. POS suspects it is arbitrary.

<p>housing provision in the short term? Are there any changes to the approach that would more effectively achieve these objectives?</p>	<p>In the context of the significant drop in housing delivery across London, we understand the desire for action to seek to stimulate the housing market, however, considering the introductory comments by POS about the state of the housing market, it should be clear that these provisions are very unlikely to be a silver bullet. The housebuilding sector have already made noises to the effect that the measure needs to be lower than 20% to have any impact.</p> <p>The provision of affordable housing, funded through private housebuilding, will always be a viability battle ground. Planning policy sends signals to the market that should feed into the setting of land values. Those actors are understandably seeking to maximise land values, so we end up playing viability games when dealing with these matters in policy making and decision making. If these changes are introduced, it is vital that the GLA carries out research to gauge their impact on underlying land values so, if it does result in a phase of land price inflation, it is clearly understood and demonstrable to government.</p> <p>POS would have preferred the policy response to have been the removal of the FTR (on the basis that 35% is no longer viable), and its replacement with a streamlining of the viability assessed route, so that the maximum AH is delivered, even if that means it is zero.</p> <p>With respect to the prospect of additional grant funding, it will be vital that this properly feeds into viability considerations. POS assumes that this will happen for schemes progressed under these new arrangements. For existing schemes with planning permission, POS suggests that if these are given grant this should trigger a review mechanism before implementation to make sure that grant unlocks AH additionality rather than props up or enhances developer profit.</p>
<p>5: Do you agree with the proposed eligibility criteria for the time limited planning route? The GLA welcomes any views on whether this will, and how this better can, help to achieve the objective of increasing housing supply and supporting early delivery whilst also maximising affordable housing provision in the short term.</p>	<p>Notwithstanding our fundamental concerns and within the context of the proposed approach, POS agrees with the eligibility criteria.</p>
<p>6: Do you agree that the proposed approach to grant will help to achieve the objective of increasing housing supply and supporting early delivery, whilst also maximising affordable housing provision in the short term? To what extent will this help to support the acquisition of affordable homes secured through the planning process by Register Providers?</p>	<p>See our answer to question 4.</p>
<p>7: The GLA welcomes views on the approach to reviews under the time limited route, including whether any further criteria should be applied which would a) incentivise early delivery, or b) help to ensure that, if reviews are triggered, additional affordable housing contributions are provided</p>	<p>POS considers that this aspect of the policy would be better expressed as, "all schemes subject to the new AH thresholds approach will be subject to a late-stage review unless, ..." and then set out the criteria that the developer must demonstrate to establish that they are making good implementation progress. A generic set of criteria should be contained in the policy, but provision should be made for it to be tailored to the needs/demands of a particular scheme.</p>

<p>where viability improves over the lifetime of the development.</p>	<p>There is a lot of noise from the development sector that review mechanisms in general create funding difficulties and POS finds it hard to understand the reason for this. A review mechanism should operate on the principle that it is essentially taking the original viability appraisal and substituting actual costs and revenues (ie sales prices) for the assumed figures in the original appraisal. Therefore with such an approach, all profits (including the developer's risk profit of around 20%) are achieved and it is only profits above those levels that are captured by a review mechanism and that figure is generally shared between the developer and the LPA. If this approach causes funding difficulties, then those funders are essentially seeking super profits from the delivery of housing and POS would urge government to call them out for what they are and not let such questionable motivations cloud public policy.</p>
<p>8: Recognising that the substantial implementation milestone of the first floor set out in 4.6.1 may not be appropriate in all instances, are there any circumstances in which an alternative review milestone to completion of the first floor would be necessary and justified, in a way that continues to incentivise fast build out?</p>	<p>See our answer to question 7.</p>
<p>9: An alternative approach for phased schemes would be for boroughs, and the Mayor for referable applications, to have discretion to agree forward dates and milestones for future phases if it would support the faster build out of the scheme, which if met mean that no review is required for that phase. Do you agree with this and what measures would be required to ensure that this resulted in faster build out than may otherwise be the case?</p>	<p>See our answer to question 7.</p>
<p>10: The GLA welcomes views on any additional measures that would support the delivery of schemes with existing planning consents which provide 35 per cent or more affordable housing. Do you agree that the time limited planning route would support schemes which have been granted planning consent but are currently stalled?</p>	<p>See our comments in question 4 with respect to our recommended approach to viability appraisal.</p>
<p>11: Are there any further measures that would help to prevent the level of affordable housing being reduced in consented schemes where this is not needed to enable the development to progress?</p>	<p>See our comments in question 4 with respect to grant for consented schemes.</p> <p>POS considers that it is important to consider how best AH policies could be developed in the next iteration of the London Plan. Whilst the 35% FT policy succeeded to a large degree, it was an inflexible policy and where economic circumstances were favourable probably resulted in an under delivery of AH and, as now, where economic circumstances are unfavourable, puts pressure on its abandonment or arbitrary amendment.</p> <p>POS considers that it is possible to have a FT AH policy that is flexible and responsive to the market. We recommend a Dynamic Viability Model where the FT AH % is reset annually using the following published market data:</p>

	<ul style="list-style-type: none"> <li>• Change in house prices (House Price Index - <a href="http://landregistry.data.gov.uk/app/ukhpi/">landregistry.data.gov.uk/app/ukhpi/</a>)</li> <li>• Change in construction costs (BCIS Index – <a href="http://BCIS.co.uk">BCIS.co.uk</a>)</li> </ul> <p>The movement of these two key indicators in the previous 12-month period can be used to assess changes in viability and thereby reset the FT AH % so that it remains responsive to market conditions.</p>
<p>EqlA question: Do you consider that any of the proposed changes set out within the SHLPG could result in additional positive or negative impacts on those with protected characteristics to those already identified? If yes, please specify which change would have the impact and which group may be affected? Resulting from the draft guidance that could affect those with protected characteristics.</p> <p>Do you have any additional comments on this EqlA that accompanies the SHLPG draft guidance?</p>	<p>No further comments.</p>