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**Housing and Planning in London under the Conservative
Government: Spatial impacts, social polarisation, sustainable
development and social justice**

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Metropolitan Dynamics, Urban Change, Markets and Governance

Abstract

Housing and Planning in London under the Conservative Government –spatial impacts, social polarisation, sustainable development and social justice.

This paper will be based on my continuing research on planning and housing development in London. It will focus on the proposals in the Government's Housing and Planning Bill, which are likely to be enacted in Spring 2016. It will review the evidence of potential spatial impacts in terms of the supply of existing affordable homes and the location and affordability of new supply. This will be related to a review of the alternative development options for London's growth in the context of the Mayor of London's draft 2050 Infrastructure Plan. The paper will analyse the potential impact of new Government policy and legislation on whether London's housing requirements can be delivered in accordance with the objectives of sustainable planning and social justice, and will also consider the constraints on the ability of the new Mayor of London, to be elected in May 2016 to achieve manifesto commitments.

Keywords: Housing, Planning, Governance, London, Polarisation.

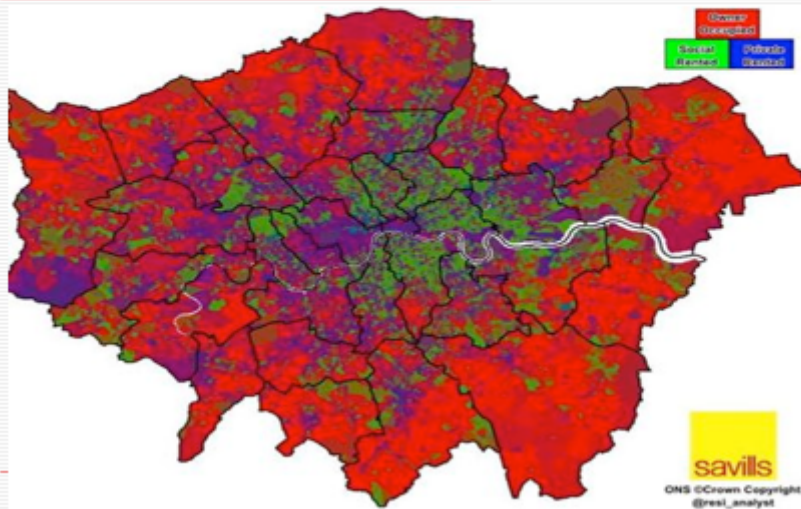
Introduction

May 2016 witnessed two major changes in the landscape of housing and planning policy impacting on London: On 7 May, the Labour candidate Sadiq Khan became Mayor of London replacing the Conservative Boris Johnson; on 12 May the Conservative Government's Housing and Town Planning Act became law. The key question is which political development will have a greater impact on the future of housing and planning in London. The contention in this paper is that the new Mayor's ability to deliver his manifesto promises will be severely constrained by central Government and that the recently enacted legislation will have a significant negative impact that will outweigh the Mayor's attempts at more positive interventions.

The current context

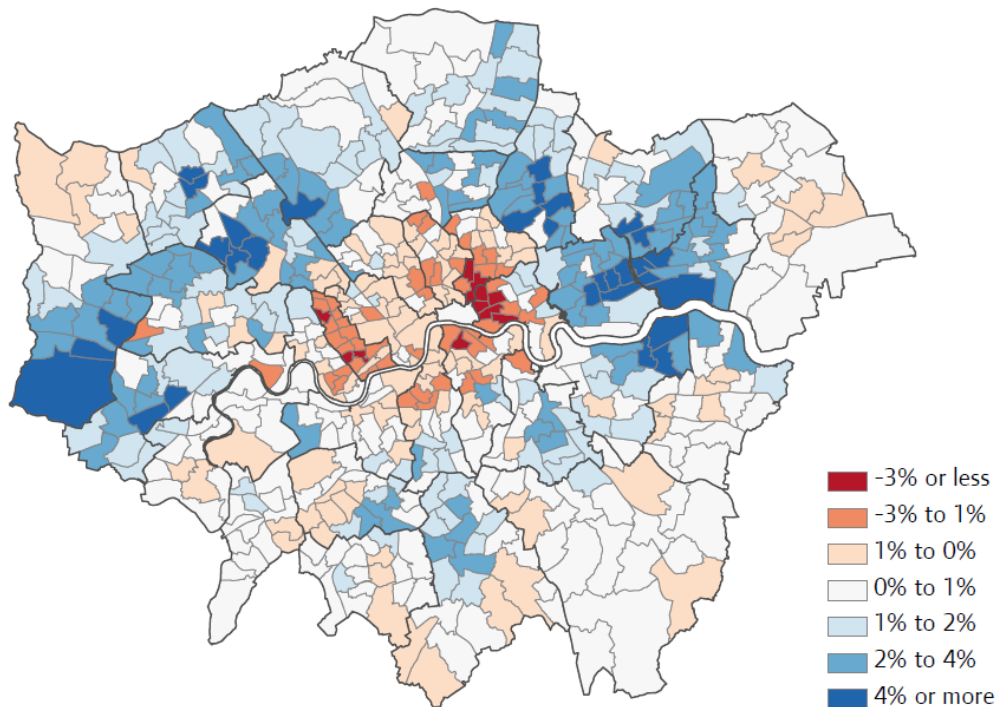
There is already significant spatial polarisation within London in terms of tenure, with owner occupation concentrated in outer London and inner West London. Home ownership has however declined over the last decade as has the amount of social housing (council and housing association housing) while there has been a doubling of households in the private rented sector.

Existing spatial polarisation of tenure

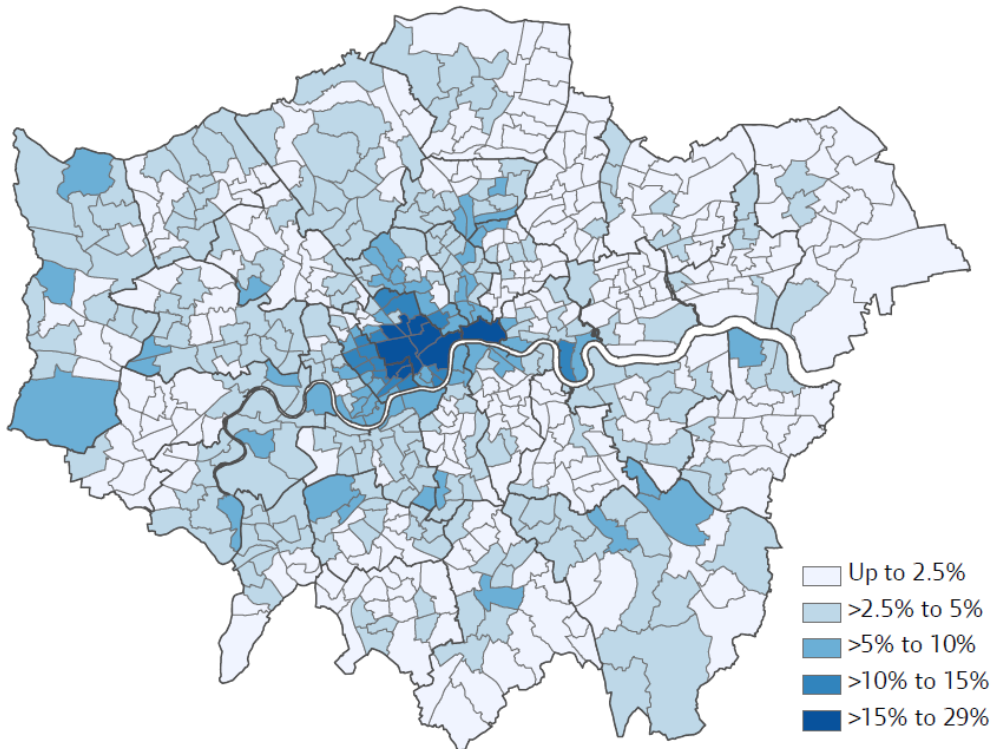


There has also been an increase in overcrowding in outer west London and in north east London, while there has been an increase in property vacancy in Inner west London as shown in the following maps:

Percentage point change in overcrowding rate (persons per room) by ward, 2001 to 2011

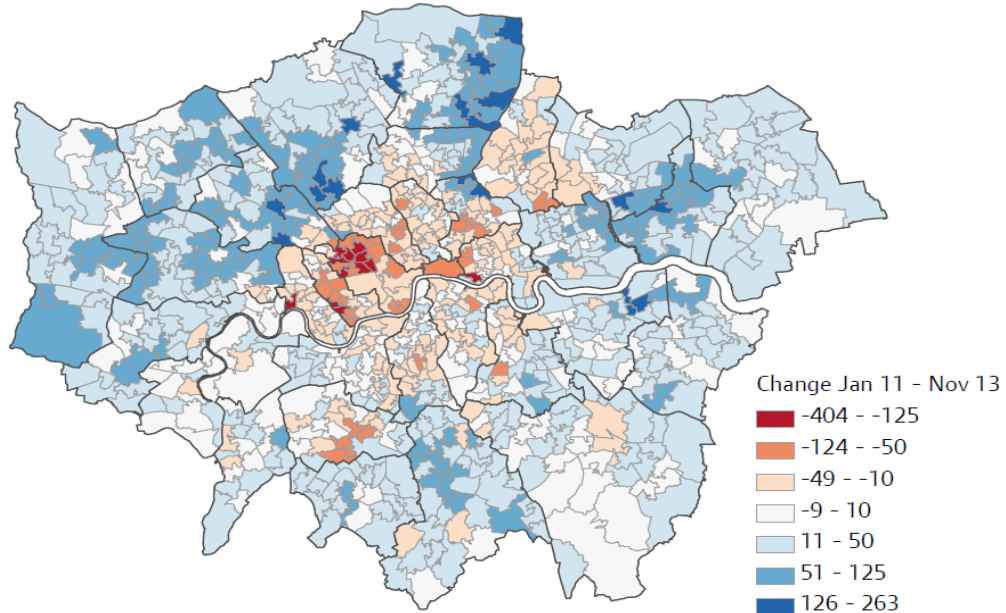


Household spaces without usual residents as % of total by ward, 2011

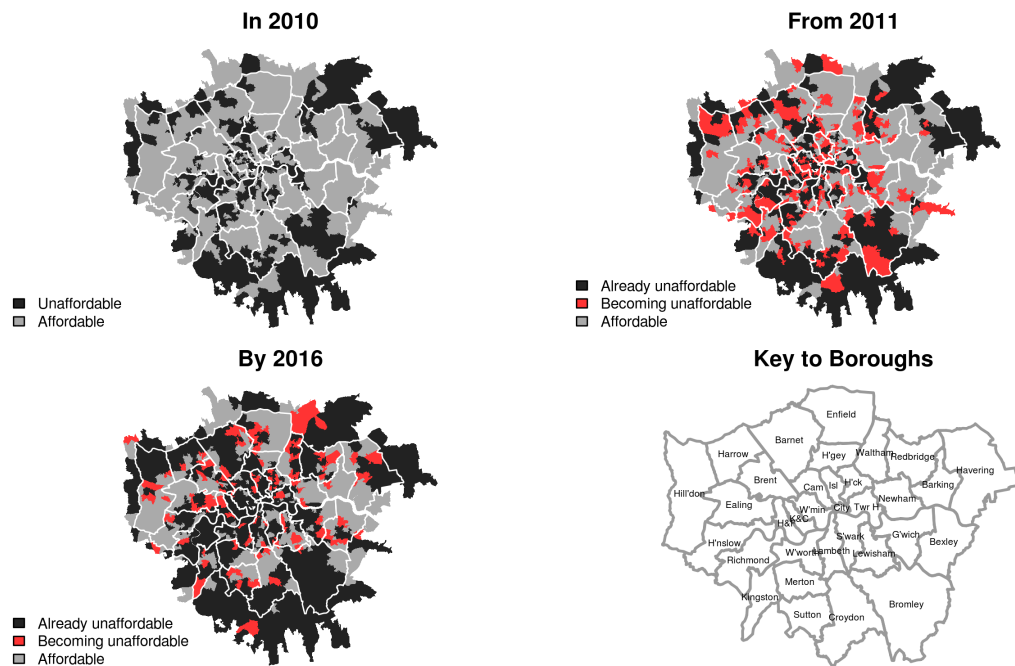


The reductions in housing benefit have also seen a shift of lower income houses from inner London to outer London as shown by data on changes in housing benefit take up:

Change in deregulated private rented sector Housing Benefit caseload by London Middle Super Output Area, Jan 2011 to Nov 2013



The private rented sector is becoming increasingly unaffordable for lower income households, but this is now spreading to other parts of London, as shown in the following map:



The most recent estimate of London’s housing requirements is the 2014 London Strategic Housing Market Assessment. (SHMA) (Mayor of London 2014a). This estimated that if the backlog in London’s housing needs were to be met over a 10 year, then 62,000 homes a year needed to be built. The report also included an estimate that if the backlog was to be met over a longer period of 20 years, then the annual housing requirement would be only 49,000 homes a year. These figures can be compared with the estimate in the 2014 Strategic Housing Land Availability Assessment (SHLAA) that London had a capacity for 42,000 homes a year over the following 10 years. So depending on the assumption as how long clearing the backlog should take, the capacity based target of 42,000 a year included in the 2015 London Plan reflected a deficit of either 7,000 homes a year or 20,000 homes a year – or over the 10 year period, an undersupply of 70,000 homes and 200,000 homes respectively. Net completions in 2014/5 – the latest year for which reasonably accurate data is available, were 31,694 homes, of which 4,075 were non self-contained units – mainly student accommodation. Discounting non self-contained units and vacant property coming back into use, net additions to the housing stock from new building and conversion have averaged 25,229 a year over the last 10 years. – about half of what is needed, even taking the lower estimate of housing requirements.

The supply deficit is even more acute if you focus on the output of sub-market homes – I do not use the term ‘affordable’ as many of the new sub-market homes are not affordable by lower income households and by many middle income households. The 2014 London SHMA assessed that of an annual affordable housing requirement of 25,600 homes, 15,700 was for social rent (61%) and 9,900 (39%) was for intermediate housing. In the 3 years 2012/3 to 2014/5 total sub-market housing output in London was 21,356 homes – or an annual average of 7,118. Of the three year total, 8,058 homes (38%) were intermediate homes (ie: shared ownership or sub-market rent), 2,305 (11%) were so-called affordable rent at rents between 50% and 80% of market rent, with the remaining 10,993 (51%) being social rented units. So on average over the last three years, social rent completions have been 3,644 a year, or only 23% of the assessed requirement. These social rented completions are the tail-end of the programme funded before the Coalition government abolished central Government funding for social rent in 2010. Of schemes started in 2014/5, only 2,533 (6%) of the 42,736 homes are categorised as social rent. With the Government and Mayoral funding for social rented homes stopped, a few London boroughs are directly developing new schemes – the latest Government data gives 130 new homes started by three London boroughs in July- September 2015, though it is not specified that

all of these homes are for social rent. It is probably reasonable to assume that the 490 homes started in London by housing associations in the same period were predominantly to be let at higher rents (CLG Housebuilding live tables)..

There is also a concern that the new homes being built are not meeting's London housing requirements in terms of household size. Of the 31,847 new homes completed in 2014/5, only 5,261 were three bedrooms and 2,191 were four bedrooms compared with 10,919 one bedroom units (including studio flats) and 13,476 two bedroom units. So only 23% of new homes were family sized , compared with the 33% requirement assessed in the Strategic Housing Market Assessment. The development pipeline is no better: of the 77,134 new homes started in London in 2014/5 , only 7,176 homes were three bedrooms and 2,346 were four bedrooms or larger compared with 15,528 single bedroom homes (including studio flats) and 19,080 two bedroom homes - only 20% family sized (Mayor of London 2016)..

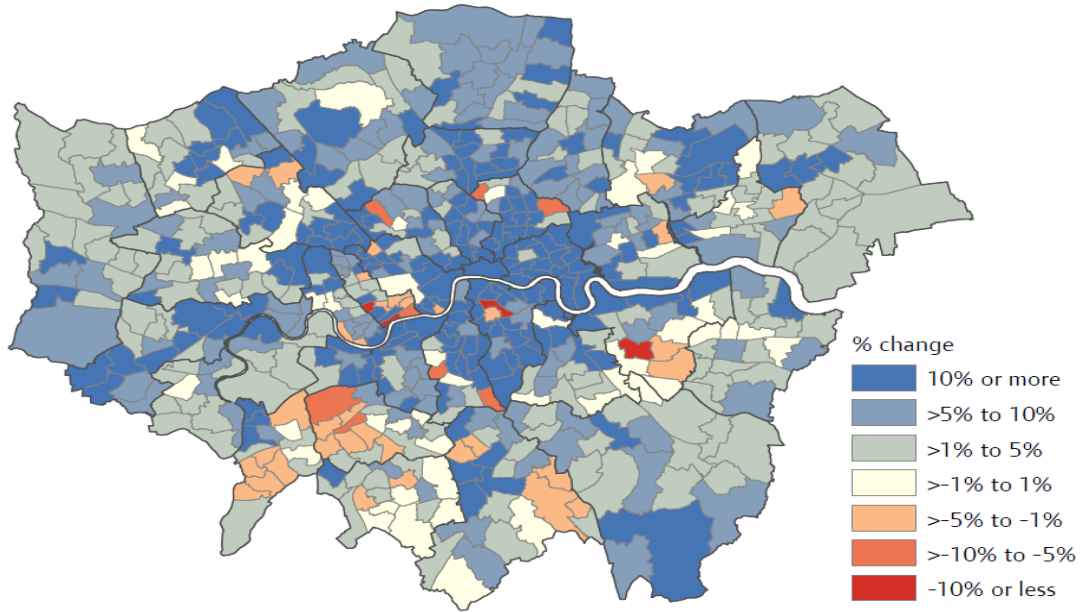
Table 3: Estimated London housing requirements after reallocation of surpluses, 2007-17

Size	Tenure			
	Market	Intermediate	Social	All
1 bedroom	56,500	0	0	56,400
2 bedrooms	67,800	5,300	88,400	161,500
3 bedrooms	19,400	12,000	0	31,300
4+ bedrooms	0	19,300	57,200	76,500
Total	143,600	36,500	145,600	325,800

There has also been an increase in the development density of new development in London. This has been a contributing factor to the reduction in the proportion of homes which are family sized. The average development density of schemes given planning consent in 2014/5 was 159 dwellings per hectare. In Tower Hamlets, the average was 461 dwellings per hectare, in Islington 405 and in Hackney 389.. Some boroughs have shown rapid increases in development density in the last few years – for example Lambeth has increased from 195 to 355 in the last five years; Hounslow from 62 to 203 (Mayor of London 2016). With the increase in density has come an increase in the number of high rise developments. There are now over 436 schemes over 20 stories in London's development pipeline, the majority of which are residential (NLA 2016).

Over the last decade most new development has been in inner London, as shown in the following map:

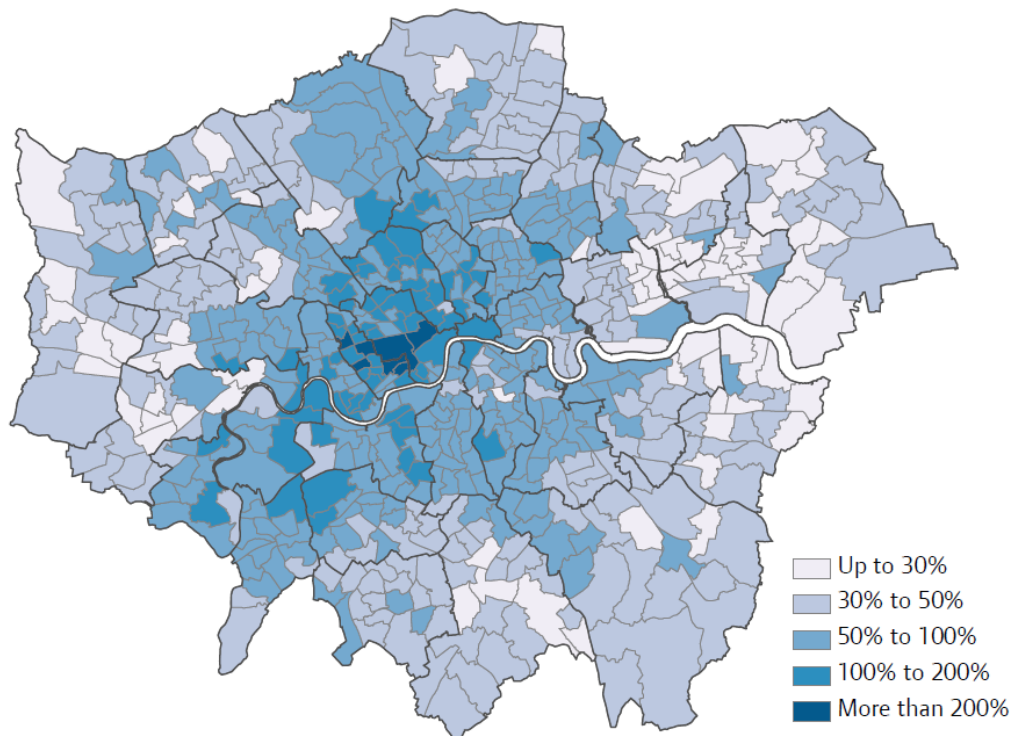
Change in number of dwellings by ward, 2001-11



It is also significant that most of the development pipeline is in central and inner London, of the 261, 843 units in the pipeline (schemes with planning consent but not as yet completed, including schemes not yet started on site, 38,377 (15%) units are in the Central Activities zone, 133,866 (51%) in the rest of inner London, and 89,400 (34%) in outer London.

The crisis of housing affordability is well known. The wide spatial variation in house-prices across London (as at 2013) is shown in the following map:

Change in median house price by ward, 2003 to 2013



The average house-price in London is now £582,505 (2016 first quarter). The land registry now publishes data by type of dwelling and distinguishes between sales of new property and resale of pre-existing property.

	Detached	Semi	Terraced	Flat/ Mais	All
Old homes	£992,836	£630,944	£657,468	£473,312	£583,943
New homes	£529,132	£610,647	£509,844	£543,666	£544,467
All homes	£987,033	£630,777	£ 656,824	£478,034	£582,505

It can be seen from the above figures that new build prices are driven by the existing second hand market. Of the total 16,088 sales in the quarter, only 586 were new build properties (3.6%). Only 52 of these were houses, as opposed to flats and maisonettes. This compares with 52% on transactions of existing homes being houses. Average prices vary widely across London, from £266,163 in Barking and Dagenham to £1,818,320 in Kensington and Chelsea. Prices for detached houses vary from £365,998 in Barking and Dagenham to £15,500,000 in Westminster.

The land registry does not publish prices by bedroom size. This data is however available from Zoopla. This data relates to asking prices rather than sales prices:

	Flat	House	All
1bed	£ 535,658	£ 514,185	£534,904
2bed	£ 775,429	£597,244	£755,704
3 bed	£ 1,383,095	£ 699,634	£1,001,764
4 bed	£ 2,330,385	£1,097,766	£1,255,720
5bed+	£ 4,866,533	£1,801,415	£1,961,047

This gives an average asking price of £982,904 – much higher than the average sale price figure given by the Land Registry, though the Zoopla data is at May 2016 while the Land Registry data is for Jan- March 2016.

Zoopla also gives data on asking monthly rents by bedroom size:

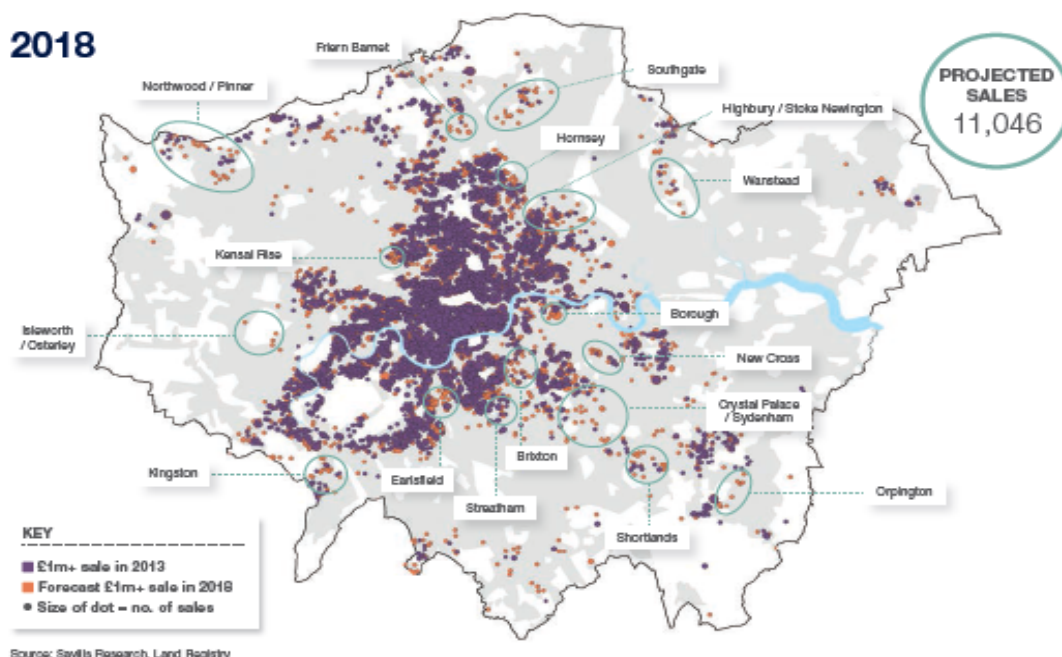
1 Bed	£1,747
2 Bed	£2,504
3 Bed	£3,768
4 Bed	£4,984
5 Bed	£,7702
All	£2,795

These figures can be compared with the average household income in London – the median – ie middle of the range – of £39,100. The average property to buy would cost 14.9 times the average household income - over 4 times the salary needed to get a mortgage , while the average annual rent would use up 86% of the median household income.

The spatial implications of house-price changes are shown in the following map, which projects the spread of £1m+ homes to 2018:

The 2018 £1 million map imagined (new areas of £1 million prime shown in orange)

2018



The Mayor's powers

The Mayor of London is responsible for publishing the housing strategy for London. The Mayor also manages the Government's housing investment budget for London, which is allocated to the Mayor by central government and for which responsibility was transferred from the Government's Homes and Communities Agency in 2012. At present this budget is used primarily for 'affordable' rented homes at rents up to 80% of market rent and for shared ownership homes. The Coalition Government stopped government funding for social rented housing in 2010. The Conservative Government has indicated that as from 2018, the HCA programme will be limited to funding for shared ownership and a limited programme of supported housing, but with no social rented or 'affordable' rented programme for general needs housing. It is assumed that this will also apply to the Mayor's investment programme, though it is understood that before the Mayoral election the Mayor's housing team were suggesting to central government that in London, given the limited success of shared ownership programmes given their cost to would be shared-owners, that some of the London budget should still be used for some form of rented provision.

The Mayor is also the strategic planning authority for London. The first London Plan was published by Ken Livingstone in 2014. (see Bowie 2010). There were revised plans in 2008 and 2011 (with some amendments in between) with a further version published by Mayor Johnson in March 2015. The includes a target that 40% of the 42,000 new homes built each year, 40% should be affordable and that 60% of these should be affordable rent homes defined as up to 80% of market rent but with a target that the average should be 65% of market rent. The previous separate target that 24% of all new homes should be social rented was dropped. In the Livingstone regime to 2008 and in the London Plan operational until 2011, this social rented target had been 35% of total supply within an overall affordable housing target of 50%. All London borough plans should be in general conformity with the London Plan. In practice some have affordable housing targets above 40%, with others below 40%. As at March 2016, the range of borough targets was as follows:

50% Brent, Camden, Croydon, Ealing, Hackney, Haringey, Havering, Islington, Kensington and Chelsea, Kingston, Lewisham, Newham, Redbridge, Richmond, Sutton, Tower Hamlets,

Waltham Forest

40% Barking and Dagenham, Barnet, Enfield, Hammersmith and Fulham, Harrow, Hounslow, Lambeth, Merton

35% Bexley, Bromley, Greenwich, Hillingdon, Southwark

33% Wandsworth

30% City of London, Westminster, London Legacy Development Corporation

(Mayor of London 2016a)

It is significant that 17 boroughs have targets higher than the current London Plan target. Many of these predate the revision downwards of the London Plan target in 2011. Many boroughs also still have separate targets for social rented housing though these are technically invalidated by the 2015 London Plan.

The Mayor has the power to veto strategic development applications submitted to boroughs which are not considered to conform with the London Plan. At present this applies to residential schemes of 150 units or more. The Mayor also has the power, in specific circumstances, to take over planning applications from the local planning authority and determine directly. Up to December 2015, this power had been used 14 times. The power was used 5 times in 2015. This was nevertheless a low number in relation to the 454 planning applications referred to the Mayor for comment by the boroughs.

The Housing and Planning Act

This Act enacted in May 2016 includes a number of provisions which have significant impacts on the provision of affordable housing in England as a whole, but specifically in London.

The provisions of the Housing and Planning Act include:

a) The extension of ‘Right to Buy’ to housing associations on a ‘voluntary basis’ funded by a the disposals by Councils of ‘higher value properties’ when they become vacant. The Government will raise a levy on Councils based on assumptions about value and vacancy rates, irrespective of whether or not properties have actually been sold. The Government has however not as yet defined the high value thresholds either at a regional or local level. The Government has stated that every home sold should be replaced, with a 2:1 replacement target in London. However there is no requirement that the replacement should be on a ‘like for like’ basis either in terms of tenure, affordability, dwelling type or location. The Government resisted amendments which would have allowed local authorities to use sales receipts to provide replacement social rented homes.

b) The Government has introduced a new ‘starter homes’ programme. Homes on sale at up to £450,000 in London and £250,000 outside London will be deemed to be affordable in terms of planning policy and exempt from planning obligations and Community Infrastructure Levy (the optional local authority development tax to provide funding for transport and social infrastructure). This is on the basis that such homes will be at a discount of 20% on market value. The purchaser will only have to repay this discount if they resell the property within 5 years of purchase. Purchasers must be under 40 (though can have older partners) and may be subject to nationality requirements. The Government has not as yet clarified whether thresholds will be varied locally or related to the size of the home. The threshold does not at present distinguish between studio flats and large detached houses. Councils will be required to use 20% of their residential development capacity to provide ‘starter homes’ irrespective of whether or not their Strategic Housing Market Assessment demonstrates this level of effective demand. The Government resisted amendments which would have limited the obligation to provide starter homes to areas where effective demand was demonstrated. The Minister has the power to amend Local Plan policies where they are considered to be obstructing the delivery of the Starter Homes target.

c) Council tenants on incomes of over £40,000 a year in London (£31,000 elsewhere) will be required to pay market rents. The Government has proposed that increases are phased in with caps related to household income.

d) New council tenancies will only be entitled to a tenancy between 2 years and 5 years. The 2011 Localism Act had allowed Councils to introduce minimum 2 year tenancies but few had chosen to do so. At present it is unclear whether a range of vulnerable groups, including tenants transferring to new tenancies, can be exempted from this provision and issued with secure tenancies.

e) The Minister has a new power to set aside planning obligations agreed between Councils and developers,

f) Ministers are introducing a system of alternative providers who can compete to provide local authority planning services, with differential standards and fee rates.

(HMSO: Housing and Planning Act 2016; Highbury Group on Housing Delivery 2016)

Impact on Housing in London

As the Government have not published draft regulations in relation to most of the provisions in the Act it is difficult to assess their impact.

In March 2016, SHELTER published research on access to a range of home ownership initiatives in London (SHELTER 2016b). This included the Starter Homes initiative. SHELTER estimated that in London a household would need an annual income of £62,000 to buy a starter home based on a 20% discount on the average market price, with average market prices requiring an income of £83,000. If starter homes prices reflected a 20% discount on the lowest quartile of homes available, the income requirement could fall to £45,000. This was well above the average London household income, and SHELTER estimated that only 20-30% of private renters would be able to afford a starter home in London. They also compared access to the Starter Home initiative to the affordability of other home ownership initiatives, giving estimates of income requirements for other initiatives - £68,000 for London Help to Buy; £38,000 for shared ownership and £34,000 for Rent to Buy. SHELTER's conclusion is that most of these initiatives are not affordable for the majority of London households in housing need.

In a separate report published in April 2016, SHELTER (2016b) estimated the likely impact on local authorities of the extension of Right to Buy to housing associations. It was estimated that to fund the estimated take up by HA tenants in London. London boroughs would need to raise some £1,428m a year. It was estimated that this would involve the sale of 2,975 homes a year. Each borough (leaving aside the 4 boroughs that no longer own housing) would need to sell on average 101 homes a year to raise £49m.. As turnover rates and values vary, the proposal has a differential impact on different boroughs. The report gives the highest London disposals estimates as follows:

Southwark 249
Greenwich 190
Hackney 184
Wandsworth 170
Haringey 163
Camden 162
Islington 161
Lewisham 158
Lambeth 143

The setting of a fixed target for Starter Homes of 20% on new developments will reduce Boroughs' abilities to negotiate with developers to provide other affordable housing products, including those more affordable than starter homes. While 25% of housing completions in London in 2014/5 were some form of affordable provision, only 18% of homes started in that year were classified as affordable and only 13% of approvals. As the programme involves no direct subsidy to developers, developers will need to subsidise the 20% discount which means that they will be less able to fund other forms of affordable homes. Given that developer

profitability is now central to the planning system, this demonstrates that it is going to be difficult to deliver the 20% target in London and that any developer contribution to social rent, affordable rent or shared ownership housing is now unlikely.

It is also important to note the spatial impacts of pre-existing Government policies in terms of the application of caps on Local Housing Allowance and on welfare benefits more generally which has reduced the ability of lower income households to access housing in higher value areas. The enforced disposal of higher value properties will have a disproportionate impact on the supply of social housing in higher value areas which are mainly in inner London, and will also have a disproportionate impact on the supply of larger council homes, which are generally of higher value.

The 2016 Mayoral election campaign

In the campaign for the Mayoral election in May 2016, housing was the predominant issue, in contrast with the four previous elections. This reflected both the overall shortage of homes and more specifically the affordability crisis demonstrated by the data above. The Mayoral candidates therefore competed on their offers to the electorate on housing, with the focus being on increasing the new build housing supply – with most candidates giving targets of 50,000 a year- compared with the 2014/5 outturn figure of 31,694 units. Promises on affordable housing were somewhat less specific - Sadiq Khan, the Labour candidate, said that at least half of all new homes should be affordable, though he was careful not to define ‘affordable’ too strictly. He did however suggest that housing associations could deliver 19,000 homes a year. The Lib Dem Caroline Pidgeon proposed 50,000 council homes be built over 4 years, and proposed that the Olympic tax levy be used to generate a £2 billion fund to support this. The Green Sian Berry proposed that over 4 years, there should be 64,000 social and low cost rented homes. She proposed a £0.5 billion fund from council tax to support smaller and community builders. The Conservative, Zak Goldsmith was non-committal. (Knight Frank 2016)

Both Sadiq Khan and Sian Berry proposed restoring Ken Livingstone’s 50% affordable housing target for new developments, with Sadiq Khan focusing on use of public land.. Both Goldsmith and Khan proposed that Londoners should be given preferential access to new market homes, what Khan referred to as ‘First Dibs’ for Londoners. Candidates also focused on improving rights for private rented tenants – Khan arguing for a ‘London Living Rent’; Goldsmith arguing for three year tenancies. Khan proposed to establish a Mayoral letting agency to compete with private agents and also to name and shame ‘rogue’ landlords. (Khan 2016; Berry 2016)

There was one issue on which all 5 main candidates, including UKIP’s Peter Whittle, were united – and that was absolute protection of the Green Belt. The candidates attitude to estate regeneration also received considerable attention, given the widespread protests against estate demolition and gentrification across London. Both Goldsmith and Khan considered that estate redevelopment and intensification could make a significant contribution to addressing the shortage of supply, though Khan did point out that this should only be undertaken with the support of existing tenants. Sian Berry took a stronger position – demolition should only be where absolutely necessary and estate regeneration projects should be led by the existing tenants (Khan 2016; Goldsmith 2016; Berry 2016).

Challenges for the new Mayor

On 5th May Sadiq Khan was elected Mayor, though it was not till 7th May that the result was confirmed. At the time of writing, he has been in post 3 weeks. There has already been

considerable media comment as to whether he can deliver his manifesto commitments. The first problem is that both his powers and resources are limited. The second is that it is not in the interests of the Conservative Government to make his life easy. So although the central government is committed in theory to devolution, the likelihood of further powers including the tax raising powers advocated in Johnston's London Finance Commission report, being devolved must be low. As discussed above, while the Housing and Planning Act included some strengthening of the Mayor's planning powers relative to boroughs, the Act actually strengthened the powers of central government by imposing new targets on boroughs and by strengthening the Minister's ability to over-rule Mayor and boroughs. not just in terms of planning policy but in terms of planning decisions on individual development schemes and the related planning obligation agreements.

The Mayor's powers to raise funds are limited. The Mayor's levy on borough council tax is capped just as is the borough rate. The Mayor can only raise funds in relation to charges for services provided, the congestion charge being a somewhat exceptional arrangement. The Mayor does raise Community Infrastructure Levy on all new development to contribute to funding Crossrail, but this will now be more limited as Starter Homes schemes are to be exempt from CIL as well as from planning obligations. This leaves the Mayor with a problem not just of funding affordable housing, but also funding social and transport infrastructure including a possible funding gap in the Crossrail budget. The Mayor's housing investment budget is in effect a transfer from central government. Government's current national housing investment budget post 2018 is limited to shared ownership and special needs rented housing and it seems unlikely that the Minister or the Treasury will allow a Labour Mayor to switch this budget to social rent or sub-market rent general needs provision.

Khan has made great play of using publicly owned land in London to provide affordable homes. The GLA has published a register of publicly owned land. However much of this is not actually owned by the Mayor and much of it is not suitable for housing. Many sites already have planning consent for housing but are not being built out for reasons of viability or infrastructure deficiency. There are however competing demands on the land. TfL need to maximise receipts on developable land to fund transport infrastructure. The Government has stated that TfL should be self-financing by 2020, and the Mayor wants to proceed with Crossrail 2 as well as other major transport investment projects. Khan however made a commitment in his election manifesto to freeze all TfL fares – buses, the underground and the overground rail network operated by TfL for 4 years. Leaving aside the issue of a need for a more rational fare structure to support lower income workers commuting in from the suburbs, TfL's ability to raise funds from increased charges goes, and as TfL managers argued during the campaign, the Mayor's commitment leaves a significant hole in the TfL budget. This increases the pressure on Khan to sell off surplus land for maximum receipts, and maximum receipts means to affordable homes. The plans for densification and market-led development in the Old Oak Mayoral Development Corporation masterplan, make it explicit that the provision of affordable homes to meet local housing needs is a secondary objective (Mayor of London 2016a).

The Mayor's ability to deliver a 'first dibs for Londoners' commitment is unclear. The key problem in the prime market is the overall price rather than international investment. The key issue is whether the homes are occupied and affordable, rather than who actually owns them. While there is increasing evidence on both international ownership and vacancy and under use of prime new developments, there is little the Mayor can actually do. The Government's changes in stamp duty for international and corporate purchases and potential new requirements on transparency of ownership, have combined with weakening of the Chinese economy and concerns as to the outcome of the EU referendum, to weaken international investment in the London property market. The Mayor could consider introducing an effective occupation condition in planning consents as applied in Islington, but enforcement of such conditions is not easy, and results from Islington's experiment are awaited. In relation to the 'First Dibs' proposal. Johnston already had a voluntary agreement with developers that homes would not be

marketed overseas before they were marketed in the UK, but there is no evidence that this increased the proportion of units bought by UK residents. The basic problem that the prime London units are not just far too expensive for most Londoners, but that as flats in high rise development, they are not that attractive as permanent residences, especially for family households.. The central issue however is that these developments are financed for investment rather than for occupation. Developers need off plan sales to start these schemes which have massive up-front costs- few households looking for a home to live in will buy off plan – possibly three years before the flat is actually available for occupation, and even if your own flat is ready, many of these schemes will be located in major development schemes with build out timescales of 5-10 years or more. It is consequently not surprising that these new schemes are making little contribution to meeting London's housing requirements. The problem Khan faces however, is that as this market cools, he loses the opportunity for piggy-backing affordable homes onto these market led schemes. As his planning powers are weakened so his ability to ensure developers deliver genuinely affordable homes, whether on-site or off-site is also reduced. The Mayor has already confirmed that the 50% target will be a strategic target and not applied automatically to every scheme. Some developers are suggesting that they would prefer a fixed affordable housing target to avoid having to negotiate on every scheme and produce a financial viability assessment for Mayoral and potentially public scrutiny. The GLA team seemed supportive of this proposal before the Mayoral election and the idea was being floated in the context of Mayoral housing zones. This does not of course resolve the issue of how a fixed rate is set, its level and its components – there is wide gap between a fixed rate of say 35% social rent and 15% intermediate housing – and a rate of say 25% sub market housing with no requirement to provide any social rent.(see Bowie 2015).

In relation to the private rented sector, the Mayor has no powers to impose rent control. This would require national legislation, which given protests from private landlords that this will reduce the viability of their operations, this is not likely to be pursued by the Government, who are keen to increase private investment in rented housing. Khan was unclear whether he was pursuing a limit on rent increases or an actual limit on initial rents. It would appear to be that he has already backed off on his rent control and 'London Living' rents proposition.

Another key challenge is where the new homes, whether the 50,000 a year promised., or the 60,000 or more actually required, will actually go. A recent report by SHELTER and QUOD reviewed the possible housing outputs from a range of sources and concluded that brownfield sites alone could not produce the required output. Khan has mentioned the potential for densification, but has focused on the potential for densification of existing council estates rather than incremental suburban intensification. While he has been critical of the ownership of prime developments and their prices, he has not as yet been critical of the density and built form of development on prime sites, or of the lack of family sized homes within such developments, and is overoptimistic as to the contribution they can meet to London's housing shortage.. Johnson commissioned a series of research reports on densification which will be published in the next month or so, The GLA planning team is pushing for further densification and reviewing the London Plan density policy which in theory is supposed to manage the density of new development in accordance with the principles of Sustainable Residential Quality. It does not appear that Khan is yet aware of the potential negative outcomes of such a review – to reduce the proportion of homes which are family sized while not easing affordability. The higher the density, the higher the land value and the higher the land value, the less affordable the homes produced.

As mentioned above, Khan gave a commitment to continue his predecessors' position of opposing development in the Green Belt. This was partly because he was under pressure from CPRE and the wider environmental lobby and he did not want to be seen as taking a different position from the four other main candidates. He also appears to have genuinely believed that

London could continue to meet its housing needs on brownfield sites within London, despite the evidence to the contrary from the 2014 Strategic Housing Land Availability Study (SHLAA, Mayor 2016a), the London Plan review Examination in Public (Planning Inspectorate 2015), and a series of separate reports by organisations such as London First (London First 2015). He has therefore introduced an un-necessary constraint on the review of development options which was already underway following his predecessor's publication of the 2050 draft infrastructure plan and the series of reports published by the Outer London Commission just before the election. While it is appropriate to state that the Green Belt should not be released in an uncontrolled way to provide a free for all for speculative developers, the Mayor has to recognise that managed release of limited appropriate sites on the edge of London and Home Counties towns, including some sites with existing Green Belt designations, is necessary to ensure the provision of family sized homes which are affordable to lower and middle income households, whether as rented, shared-ownership or market sale, so long as these are linked to both transport and social infrastructure and that transport to work times are reasonable and that transport charges are also affordable. This is not an easy issue to progress but is an essential component of the response to London's housing crisis. This means progressing strategic planning relationships including re-establishing the dissolved Outer London Commission and continuing the metropolitan regional planning consultative framework established by Johnson. It also means pushing Government for a clearer strategic planning framework for the London metropolitan region. (SHELTER/QUOD 2016; Bowie 2016; Bowie 2016a)

Conclusion

The Housing and Planning Act may have a more significant impact on the future of housing in London and on London's residents than the change of Mayor. What is often not recognised is the continuity between the policies of the 2000-2008 Livingstone regime and the 2008-2016 Johnston regime. Many of the negative outcomes in the latter period were the result of changes in national policy, the negative impact of which Johnston was unable to mitigate. The provisions in the new Act in respect of Right to Buy, forced sale of council 'higher value' properties, starter homes, planning obligations and introducing market competition into council planning functions, will both reduce the existing supply of social housing and severely obstruct the provision of new affordable homes at a range of levels of affordability below 80% market prices and 80% of market rents. The new policies on Pay to Stay and on 5 year maximum tenancies for new council tenants, will further residualise the remaining council housing stock and reduce the security of tenants.

While Sadiq Khan may be in favour of the provision of social housing, it is unclear how this support and his targets are to be realised. While Khan like fellow Labour MPs opposed the Housing and Planning Bill, with the Bill now enacted, he as Mayor has relatively little room for manoeuvre. There will be no change of national government until 2020 at the earliest – possibly not till 2025 or even 2030, by which time there will be little remaining social housing or other affordable housing in London. While the Mayor can change London Plan policies, this takes 2-3 years and will meet resistance from the development sector as well as from central Government. In the short term, the Mayor can of course seek to impose existing London Plan policies on affordable housing, mix of housing in terms of bedroom size and density more strictly though this will be challenged given Governments focus on maximising numbers and on supporting developer viability and investment.

Leaving aside the need to repeal the 2016 Act, a commitment to which Labour Ministers seem reluctant to give, there are two other changes at a national level that are essential for significant progress to be made (or at least further negative impacts to be mitigated) – the first is for the Mayor and boroughs to have the power to acquire land for housing at the existing use value; the second is for the Government funding regime for social housing investment to be restored. Regrettably neither of these propositions are as yet under serious consideration. Without these policy changes, there will be a significant increase in the social spatial polarisation of London

and a negative impact on sustainable development objectives in terms of social sustainability and a reduction in social justice from the perspective of displaced lower income residents.

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