

Greater London Authority
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22 January 2026

Dear Mayor,

London Plan Guidance: Support for housebuilding consultation

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies. Private sector housebuilders are also significant providers of affordable homes, building 50% of all affordable homes built in the last five years, including all homes for social rent.

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Introductory comment

HBF welcomes the package of emergency interventions proposed by the Government and the Greater London Authority (GLA). We recognise the political challenges associated with agreeing the package of measures that are being consulted upon but the package should lead to an improvement in starts and completions, particularly if supported by other demand-side measures and actions to encourage registered providers (RPs) to acquire S106 Affordable Homes.

Cycle parking

Question 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?

The temporary changes to cycle parking standards are very welcome and will assist the viability of development. The proposal to relax these standards should assist with the layout of schemes, thereby assisting implementation. The availability of hire bikes on the street will help to mitigate any downsides associated with this proposal.

We recommend that the Mayor re-considers his cycling parking standards as part of the next London Plan, reviewing the degree to which these are being utilised in existing developments, with a view to withdrawing these altogether. To support this, the Mayor might consider undertaking an analysis of the degree to which local cycle hire schemes are utilised, making cycle standards within residential schemes unnecessary. If withdrawal is considered a step too far, we would encourage the Mayor to consider whether it is necessary and helpful to stipulate cycle spaces for small dwellings, especially studio and one bed flats are involved. Standards for schemes

involving dwellings of this size can militate against the best use of space.

Question 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?

We welcome the flexibilities proposed. This will provide developers with greater flexibility when considering the layout of schemes and will help to improve viability, particularly when considering the introduction of the Building Safety Levy later in 2026 which will be levied on the floorspace of the entire development and will therefore be payable on cycle storage facilities and other non-saleable floorspace.

However, the wording needs to be stronger to ensure that the change in policy is effectively implemented. The use of the word ‘may’ at paragraph 2.3.1 should be substituted with the word ‘should’.

Question 3: The GLA welcomes views on the proposed changes to the housing design standards.

HBF supports the proposed withdrawal of the standards listed. The requirement for dual aspect dwellings and the establishment of a minimum number of dwellings that should be served by a core has tended to militate against the optimum use of proposed residential development sites in London. Even though these standards are expected to serve as guidance only, they can be applied inflexibly by some London boroughs.

We refer to the research by Centre for Cities on this question: [Overheating and dual aspect | Centre for Cities](#). This research concludes that the requirement for dual aspect can result in fewer dwellings per floor, and / or smaller dwellings and increase build costs by 40 per cent. Dual aspect is not a requirement of the Building Regulations, included Part O (overheating). Managing the serious problem of overheating, can be addressed through air conditioning through adapting air source heat pumps.

While we welcome the changes proposed, we are aware that many London boroughs will have transposed the London Plan Guidance standards into policy requirements in local plans and can therefore insist on these challenging standards. We would welcome the support of the GLA to object to the mandatory application of dual aspect and minimum core requirements in local plans as these are brought forward for examination.

We welcome the proposal to withdraw cycle parking standard B3.1 which repeats London Plan policy.

Question 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 housing provision in the short term? Are there any changes to the approach that would more effectively achieve these objectives?

HBF has supported the Mayors’ threshold approach to the supply of affordable housing. In principle, this has and could continue to be an effective mechanism to incentivise the supply of affordable homes, removing the need for scheme specific assessments. The threshold approach is in line with the NPPF in terms of providing a clear direction through the development plan of what is expected in terms of planning obligations and other policy requirements. However, the current threshold has become a constraint on development, in combination with other policy expectations. We note that the GLA London Residential Datahub records just 4,261 housing completions for 2025/26 across all of London compared to a target for 52,000 a year in the London Plan and 88,000 a year based on the Government’s new Standard Method.

Consequently, there is a case for reducing this, in combination with other measures in the package to improve viability and incentivise delivery. Moreover, we have become concerned that many London boroughs do not apply the existing London Plan threshold approach properly but use it instead merely as the starting point for negotiations to try and secure greater contributions irrespective of whether the applicant commits to providing 35 per cent. This adds considerable delay to the development management determination process. This is a major concern for SME developers.

We support the proposed time-limited planning route in the main, including the eligibility criteria listed in para. 4.4. Based on HBF’s experience of considering the viability assessments supporting the local plans of the London boroughs, it is evident that 20 per cent will assist many schemes with the challenge of viability.

Several London boroughs are seeking levels of affordable housing in excess of the 35 per cent threshold approach: for example Wandsworth requires 45 per cent; Ealing 40 per cent; Newham – 60 per cent. In the case of Newham,

it is apparent from the Council's own viability study supporting the local plan (currently at examination) that 60 per cent is unviable under almost all the scenarios tested. Comparing 60 per cent, 35 per cent, and 20 per cent we can see in Appendix 4 - Appraisal results (affordable housing) that out of the 142 scenarios modelled the following results:

Benchmark Land Value 1 (Secondary Offices) **BLV per hectare: £6,321,552**

| | |
|-------------------------|-----------------------------|
| Scenarios viable at 60% | 7 |
| Scenarios viable at 35% | 31 |
| Scenarios viable at 20% | 48 plus 3 that are marginal |

Benchmark Land Value 2 (Secondary Industrial) **BLV per hectare: £5,275,753**

| | |
|-------------------------|-----------------------------|
| Scenarios viable at 60% | 7 |
| Scenarios viable at 35% | 33 plus 9 that are marginal |
| Scenarios viable at 20% | 79 |

Benchmark Land Value 3 (Cleared /Undeveloped Sites) **BLV per hectare: £500,000**

| | |
|-------------------------|-----|
| Scenarios viable at 60% | 10 |
| Scenarios viable at 35% | 73 |
| Scenarios viable at 20% | 110 |

The full report can be accessed here:

<https://www.newham.gov.uk/downloads/file/8321/newham-local-plan-viability-final>

Newham is an important borough in terms of an indicator for residential delivery, since it is and has been responsible for delivering a large proportion of London's overall housing target. It is a borough that has done a lot of the 'heavy lifting' for London in terms of housing delivery over the last decade, and probably will do so in the future too.

Wandsworth is another borough that has historically done a lot of 'heavy lifting' for London. The Wandsworth Local Plan is currently at examination and is seeking 45 per cent affordable (with 70 per cent social rent). Scrutinising the results of the viability assessment demonstrates that 45 per cent is much less viable than the 20 per cent being proposed. There are many scenarios modelled based on different assumptions about development values, but if one takes a mid-range assumption - **values of £10,359 per square metre** – neither the lowest nor highest tested – and assuming 70 per cent social rent in line with policy – then one can see the following results out of the 48 scenarios modelled:

Benchmark land value 1 (secondary offices)

| | |
|-------------------------|-----------------------------|
| Scenarios viable at 45% | 13 plus 2 that are marginal |
| Scenarios viable at 35% | 26 plus 3 that are marginal |
| Scenarios viable at 20% | 35 plus 4 that are marginal |

Benchmark land value 2 (secondary retail)

| | |
|-------------------------|-----------------------------|
| Scenarios viable at 45% | 31 plus 2 that are marginal |
| Scenarios viable at 35% | 41 plus 1 that is marginal |
| Scenarios viable at 20% | 46 |

Benchmark land value 3 (secondary industrial)

| | |
|-------------------------|----------------------------|
| Scenarios viable at 45% | 40 |
| Scenarios viable at 35% | 46 plus 1 that is marginal |
| Scenarios viable at 20% | 47 |

Benchmark land value 4 (cleared land)

| | |
|-------------------------|----|
| Scenarios viable at 45% | 46 |
| Scenarios viable at 35% | 47 |

From this it is apparent that more schemes will be viable at 20 per cent, particularly under the secondary offices and retail categories which are likely to be the development scenarios that will more typically be encountered in Wandsworth.

We question whether the stipulation that 60 per cent of the Affordable Housing provision is provided as social rent is feasible (para. 4.4.2). In view of the difficulties that housebuilders currently encounter in trying to find a Registered Provider willing to purchase the S106 affordable homes, we would recommend that the GLA avoids prescribing the tenure mix too precisely. Feedback from HBF members indicates a reduced appetite for Registered Providers (RPs) to acquire social rent homes. While we recognise the desire to maximise the number of social rented homes, if housebuilders struggle to identify a registered provider willing to accept the tenure mix specified by the GLA, then this could delay the effective implementation of the emergency measures. The foremost priority must be to increase the number of housing starts and completions before 2029; other objectives must be secondary. When considering the next London Plan, we would recommend greater flexibility over the tenure of the affordable housing element unless the appetite for RPs to acquire these alters dramatically.

We note that it is proposed that a ‘gain-share review mechanism’ will be applied where construction on a scheme has not reached a fixed milestone by 31 March 2030. We fully appreciate the importance of ensuring that schemes that benefit from the time-limited intervention also progress to implementation, but this may detract from the attractiveness of the measure. Applicants may have little control over the relevant variables, including Building Safety Regulator approval processes, and there is no guarantee that market conditions will improve by 2030 to the extent that dwellings can be completed and then sold/rented. It is also unclear what the GLA or London borough might deem to be an acceptable ‘milestone’; and whether this is work commencing on site or a proportion of dwellings completed, or the S106 affordable housing element completed? We recommend that the ‘milestone’ is the practical implementation of the scheme on site, rather than a defined number of homes being completed.

HBF is concerned about the delay to decision-making associated with securing approval for 20 per cent affordable housing and securing the temporary relief from half the value of CIL (as set out in the associated MHCLG consultation). The process seems very involved and potentially counter-productive since applicants seeking CIL relief will be required to demonstrate that they can provide 20 per cent affordable housing (or 35 per cent if relevant) plus the Registered Provider partner will need to apply for grant for social rent housing, and the applicant will need to try and provide more affordable housing, before then being required to undertake a viability assessment associated with the CIL relief. Admittedly, the latter is a ‘lighter touch’ procedure than the site-specific viability assessment that is typical for residential schemes in London, but it still has the potential to delay the approval of schemes and their practical implementation. We have argued in our response to MHCLG that the CIL relief process should be automatic, and not subject to a viability assessment, where applicants have committed to providing 20 (or 35 per cent if relevant) affordable housing. This would enable faster decisions helping to secure more starts and completions before 2029.

There also needs to be greater support in policy for those applicants who intend to provide much greater shares of affordable housing, including schemes providing 100 per cent. Schemes providing 100 per cent affordable housing should have much greater freedom to decide the tenure mix and size of the dwellings in the scheme. HBF’s report *State of Play: Challenges and opportunities facing small- and medium-sized home builders 2025/26*, published in November 2025 has found that disputes over tenure mix is one of the key obstacles to development, delaying securing planning permission and creating problems for viability. London boroughs often specify a size and tenure mix of schemes that RPs are reluctant to acquire.

Question 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?

While we support the time-limited proposal to lower the threshold rate to 20 per cent on private land and 35 per cent on public land, we are aware that an overall lower requirement for affordable housing may mean that it is less attractive to RPs to acquire these dwellings, as our members are reporting that RPs are less inclined to acquire small packages of few Affordable dwellings in dispersed locations as the costs of management outweigh the financial gains. To avoid this, the GLA should consider establishing a rapid decision process, whereby if after an agreed period of time (to be determined by the GLA) the housebuilder has failed to contract with an RP (and can

demonstrate this) the applicant can alter the tenure mix to one that is more attractive to RPs. If, in turn, this fails, then the London borough should take payment in lieu.

Schemes that consist wholly of Affordable Homes (within the definitions provided at Annex 2 of the Framework), should be exempted from providing 60 per cent social rent. This would assist with the swifter implementation of the emergency package and help secure a greater number of starts and completions before 2029.

We recommend that schemes on Green Belt and MOL land should be considered eligible for the proposed time-limited planning intervention. Early phases of major schemes may face very heavy upfront infrastructure requirements, but with the emergency measures proposed, an early phase may be able to contribute starts and completions before 2029.

We note that it is proposed that the time-limited planning route is available up until 31 March 2028 or the publication of the revised London Plan, whichever is earlier. We are led to understand that the new London Plan may be published in the summer for consultation, in which case this particular measure is unlikely to be in place for long enough to have any practical benefit (unless the emergency policy is reflected in the London Plan). It is unclear if the GLA's consultation document is referring to the adoption of the London Plan. If it is referring to its adoption this would be better, since it would allow more time for the measures to take effect as adoption is unlikely before early 2028. Even so, the time limited planning intervention may be too brief in duration to have an appreciable effect on improving supply. The local government elections in London in May could add further disruption with local authorities delaying consideration of schemes until the politics has settled. To avoid this, we recommend that the time-limited relief is extended up to 31 March 2030. This would allow schemes at different stages in the development process, including schemes that have yet to submit, to benefit.

Question 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?

This measure should assist with the deliverability of schemes. Allowing grant for affordable homes above the first ten per cent would assist developers and RPs with securing the affordable homes required. However, we are concerned that there is an expectation – articulated in paragraph 4.5.4 – that applicants should demonstrate that they are unable to provide more than the 20 per cent proposed through using affordable housing grant and the CIL relief. This could complicate and delay the implementation of the emergency measures, possibly militating against increasing residential starts and completions by 2029. The emergency measures need to be kept simple and applied to all eligible schemes without further checks and qualifications. The 20 per cent should be applied without further question, alongside the CIL relief. We have argued this is response to the Government's consultation.

We recognise that schemes that have already been consented (with S106 terms agreed) will be unable to benefit from the time limited planning intervention, although they will be eligible for the revised terms for grant funding (para. 4.3.3). There is a risk, consequently, that schemes with planning permission which have stalled owing to the increase in build costs will remain stuck. Since 106BA was repealed in 2016, thereby removing the ability to amend S106 obligations, this could be the opportunity for the Mayor to encourage the London boroughs to consider favourably requests by those with planning permission to amend the S106 agreement to enable stalled schemes to benefit from the package. We understand that there could be as many as 110,000 homes granted permission since 2023 that have yet to commence on site. The Mayor could devise a standard London-wide process for amending affordable housing obligations.

Question 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 where viability improves over the lifetime of the development.

The GLA proposes that a review will not be required in cases where the first floor of the buildings within the scheme have been built by 31 March 2030, or where at least 200 residential units have been built by this date on larger schemes. We are generally supportive of this measure and the terms of the review but it would be helpful to define what is deemed to be a larger scheme.

Social Housing Relief Social Housing Relief

One potentially very beneficial intervention that could be considered by the GLA and which would support delivery and help increase affordable housing supply, is amending the terms of Social Housing Relief for CIL payments. Social Housing Relief is a nationally applied exemption from paying CIL for all tenures of affordable housing provided through a Section 106 agreement. Local planning authorities can refuse to exempt homes purchased by RPs using Homes England Grant (Additionality) as this sits outside the Section 106 agreement. Many London boroughs opt to do so. Where housebuilders are providing more affordable homes than required by the S106 requirement the Mayor could encourage the London boroughs to allow these to benefit from the Social Housing Relief. Extending CIL relief to non-S106 affordable homes would encourage more house builders to sell homes to RPs for this purpose. The CIL relief will partially offset the lower sales values they will receive from RPs for those homes.

Since increasing housing delivery is the foremost political challenge and given HBF evidence about the inability of many local authorities to spend the CIL revenues collected, with many London boroughs among those with the highest unspent monies, this could be a relatively uncontentious proposal for the Mayor to support. The HBF's research in 2024 (*Unspent Developer Contributions: S106 and Community Infrastructure Levy Funds Held by Local Authorities*) found that out of the 15 London boroughs who provided figures on unspent CIL money, the average unspent was £32.7 million per authority, although there is significant variation within that average figure.

Question 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?

It is possible that this measure may be inappropriate for smaller residential schemes, where individual dwellings are involved, rather than flats. In such cases, we recommend that the review is engaged if no practical implementation of the scheme on site has occurred.

Question 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?

This might represent a better approach since it would allow the specifics of the scheme to be considered by the London borough, or by the Mayor in the case of referable applications.

Question 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?

We acknowledge that the Mayor may be reluctant to allow the content of schemes to be reviewed where planning permission has been secured already but many dwellings will be delayed in schemes that have planning permission but have stalled – possibly circa 100,000 according to some accounts. Therefore, we agree that schemes that already have planning permission should be able to benefit from the lower affordable housing rate under the time-limited planning route, if this would help to advance stalled schemes.

It is possible that a good number of schemes are stalled currently owing to reasons of viability, rather than delays associated with the BSR and the Gateway 2 and 3 stages. These are likely to be schemes caught out by the increase in build and labour costs in the last few years, and a fall in sales values.

Currently, there is no route available to revisit an approved planning application where the terms of the S106 have been agreed as there had been temporarily through the statutory S106BA route introduced by the Growth and Infrastructure Act 2013. This had allowed schemes with permission to lower the agreed level of affordable housing. Without this it is difficult to assist some stalled schemes. However, the Mayor could amend policy to encourage more schemes to progress to build-out by considering the following:

Suggestion 1: Flexibility over the tenure mix for consented schemes

Rather than reducing affordable housing requirements, schemes could be offered a one-off, tightly defined flexibility relating to the tenure mix of the affordable housing element. This flexibility should be conditional on the developer committing to a start on site within a short, specified timeframe. This would provide targeted, temporary flexibility while safeguarding overall affordable housing delivery.

Suggestion 2: Time-limited exemption from late-stage reviews

Schemes that provide a higher proportion affordable housing, but not necessarily the preferred tenure or size mix (see suggestion 1 above) should be exempted from late-stage reviews. Schemes that provide more affordable housing, even if they are unable to provide the tenure split preferred by the London Plan or local plan policy, are penalised owing to the requirement for a late-stage review. This is a major discouragement for investors. The Mayor should incentivise delivery by exempting schemes that provide more affordable housing by removing the late-stage review temporarily.

Suggestion 3: Extend emergency measures to recently consented stalled sites

As a worst-case option, emergency measures could be extended to recently consented stalled sites, supported by a standardised London-wide process for amending affordable housing obligations. This could sit alongside Section 73 but reinforced through mayoral guidance or direction, reducing the possibility of boroughs resisting its application and avoiding the need for full resubmissions or new applications. While not the preferred route, this approach is preferable to schemes being abandoned or re-submitted afresh with lower affordable housing outcomes overall.

Alongside the measures described above, it would also be helpful for the Mayor to examine whether schemes have been delayed owing to administrative / legal issues within the relevant local authority related to approving reserved matters and discharging conditions. Delay with development management decisions is often cited by housebuilders, especially SME companies, as a major reason for delay. HBF's recent report on this question: *State of Play: Challenges and Opportunities facing SME home builders*, November 2025 identified delays in securing planning permission and discharging conditions as the foremost barrier facing SME home builders, followed by the lack of resources with local authority planning departments.

Question 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?

It would be difficult to devise a scheme that, on the one hand, would enable a decision-maker to extract that maximum in affordable housing contributions while also attempting to implement a system that ensures greater viability and enables planning decisions to be made much faster. It is impossible to have both. Local government may have to accept less in planning gain (and accept that some schemes may be contributing less than they could) in return for higher rates of starts and completions in the short term. Since the latter is the more pressing political objective for now, it should weigh for more in the balance.

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