

NEWS

# London planning news, March 2018

01 Mar 2018

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## Headline news

### Mayor launches initiative to encourage small housebuilders

The Mayor of London, Sadiq Khan, has launched a new initiative aimed at supporting small housebuilders by bringing forward small sites currently owned by the public sector.

Working in partnership with Transport for London (TfL), the Mayor has identified 10 publicly owned sites which will be brought forward through the 'Small Sites, Small Builders' programme, with capacity ranging between two and 42 homes. The sites will become available through a simplified bidding process that will be reserved for small to medium-sized developers, housing associations and community organisations.

The project aims to provide 111 homes, 68% of which will be affordable. Two of the plots, one on Cable Street in Tower Hamlets and another on Christchurch Road in Lambeth, have been reserved for community-led housing projects that will be 100% affordable.

Last year, eight volume housebuilders were responsible for over half of the new houses built in the UK. The 2017 Housing White Paper suggested that diversifying the market could help increase supply and improve competition. The draft London Plan states that small sites are expected to play a key part in councils allocating sites for new housing. The Mayor said:

'Through my new small sites programme, I want to make more public land available to help contribute not only to tackling the housing crisis in London, but also to reinvigorating our small and medium-sized homebuilding sector. I also want to provide more opportunities for Community Land Trusts, which is why I have earmarked two sites specifically for community-led housing.'

Discussions have also begun with other public sector landowners in a bid to bring forward more small sites for development.

[Mayor of London, Mayor launches small homebuilders programme with TfL pilot sites](#)

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## Quote of the month



**Through my new small sites programme, I want to make more public land available to help contribute not only to tackling the housing crisis in London, but also to reinvigorating our small and medium-sized homebuilding sector.**

Mayor of London, Sadiq Khan, launching his initiative to support small housebuilders

# ONS house price and private housing rental indices

The latest data from the ONS shows that real house prices are now above their pre-crash peak in London, the South East, the South West, the East and the East Midlands. The data also shows that private rent levels are increasing faster in England outside London (+1.7% since last year) than in London (+0.2%).

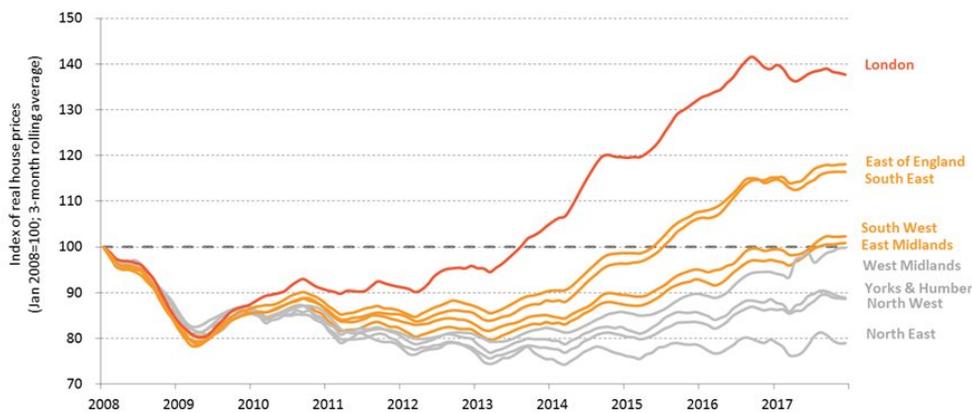
[Lichfields on house prices on Twitter](#)

[Lichfields on housing rental prices on Twitter](#)

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## Crossing the line

When did real house prices surpass the pre-crash peak?



Source: ONS, Lichfields analysis

House price data for December 2017 highlights the range of housing markets England has.

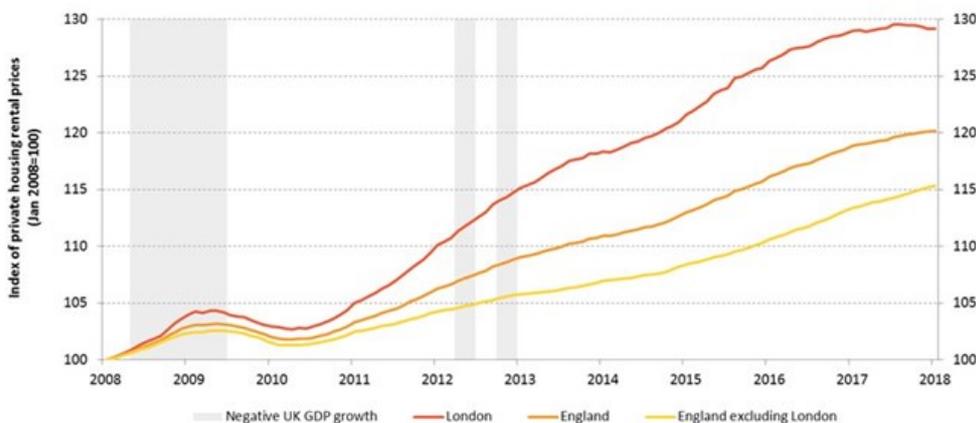
Over the year to December, house prices in England have grown by 5.0%, slower than the previous month (5.3%). The South West saw the fastest annual growth (7.5%), followed by the East Midlands and West Midlands (6.3%). London (2.5%) has the slowest annual growth of all regions in England.

The range of markets is best shown when we compare real house prices (prices after accounting for inflation) to the pre-crash peak of 2008. Real house prices have surpassed the pre-crash peak in five regions: London (passing in 2013) is now 38% higher in real terms; East of England and South East (both passing in 2015) are 18% and 16% higher, respectively; and the South West and East Midlands (both passing in 2017) have both just crept over the line.

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## Private Housing Rental Prices

Private rents increased in 12 months to January 2018



Note: the chart only shows the rate of private rental housing price growth since 2008. It does not reflect the difference in absolute rent levels.

Source: ONS, Lichfields analysis

The latest release of the Index of Private Housing Rental Price from the ONS shows that private rents in London were 29.2% higher in January 2018 than in January 2008, a 0.2% increase from 12 months earlier. Over the same 12-month period the East Midlands, the South West and the East of England experienced the fastest increase in private rent levels across Great Britain (+2.6%, +2.1% and +1.9% respectively).

Rent levels in England (excluding London) are now 15.4% higher than in January 2008.

For the first time since records began in 2006, England's (excluding London) private rent levels (+1.7%) have been rising faster than London's (+0.2%) for 15 consecutive 12-month period releases.

## **Mayor publishes final version of Transport Strategy**

Mayor of London Sadiq Khan has issued his Transport Strategy, which will be presented to the London Assembly for their consideration before final publication; this follows last June's draft, which was consulted on until 2 October 2017.

The final version outlines major transport schemes which will be crucial for the development of London over the next two decades, such as the Elizabeth Line, the Northern Line and Bakerloo Line extensions, and new river crossings at Rotherhithe and Canary Wharf.

The Strategy also reiterates how vital Crossrail 2 is to the success of the wider UK economy, as this will enable '270,000 more people to travel into and across central London every morning at peak time, and will drive the development of 200,000 homes and 200,000 new jobs across the south east'.

Following feedback received on the June 2017 consultation, the Strategy has been amended to include the potential for a West London Orbital rail line (Hounslow to Cricklewood and Hendon), which could potentially support the delivery of 20,000 extra homes in west London. The Strategy also includes a specific proposal to work with the London Boroughs of Merton and Sutton to progress the development of the proposed Sutton Tram extension.

Mayor of London Sadiq Khan said:

'I've been clear that we need to be bold in how our city operates as London's population grows, and this means not only investing record amounts in new infrastructure like extensions to the tube, rail and Crossrail 2, but working with boroughs and local communities to reduce our reliance on car use across London.'

[Mayor of London, Mayor presents bold strategy for the future of London's transport](#)

[Mayor of London, Mayor's Transport Strategy](#)

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## Mayor publishes good practice guide to estate regeneration

Mayor of London Sadiq Khan has launched City Hall's first ever guide to estate regeneration. The 'Better Homes for Local People' good practice guide sets out the Mayor's expectations of how regeneration projects should be delivered, stating his position on community consultation and involvement with decision-making.

The Guide also proposes mandatory ballots for residents living on estates where demolition has been planned. The requirement of a resident ballot will be a strict condition for any funding received from the Mayor. The proposal is currently consulted on, and the related consultation's deadline is 3 April.

Another key component of the Guide is the demand that regeneration must deliver an increase in the number of affordable homes on-site and no loss in social housing.

The Mayor commented:

'I want to make sure people living on social housing estates, who have the greatest interest in their future, are at the heart of any decisions from the outset. By involving residents and putting social housing first, we can make sure plans for estate regeneration help build a city for all Londoners.'

[Mayor of London, Ground-breaking plans by Mayor for estate regeneration ballots](#)

[Mayor of London, Better homes for local people \(the Mayor's good practice guide to estate regeneration\)](#)

[Mayor of London, Proposed new funding condition to require resident ballots in estate regeneration \(Consultation Paper\)](#)

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## Green light for development of six new cycle routes across London

The Mayor of London has announced plans for six new cycle routes across the capital, with design work to commence immediately. The new routes span across the nine London boroughs identified as having the greatest potential for increased cycling, though currently lacking safe and appropriate infrastructure.

The new infrastructure will play an important role in helping the Mayor deliver his aim of 80 per cent of journeys being made by foot, bike or public transport by 2041, helping reduce congestion, improve air quality and bettering the health of Londoners, as set out in his draft London Plan.

[Mayor of London, Green light for development of six new cycle routes across London](#)

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## Scheme launched to offer Londoners first dibs on new homes

Mayor of London Sadiq Khan has announced plans for a voluntary agreement with developers, restricting the sale of new build homes with a value of up to £350,000 to Londoners for the first month of sale. For the following two months, sales would be opened up to anyone from within the UK, with foreign investors allowed to purchase thereafter.

The Mayor commented:

'I was alarmed to discover that overseas buyers were focusing to such an extent on the lower-cost end of new-

build homes — many of which were being sold long before Londoners even knew they were available. The industry offer is an important breakthrough. I will now work with them to put it into practice.'

The proposals have received support from members of the Home Builders Federation and the G15, an organisation which represents the interests of London's 15 biggest housing associations.

[Mayor of London, Mayor reveals landmark step to offer Londoners first dibs on new homes](#)

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## **Heritage at Risk study launched by Historic England**

Historic England has launched a new study, prepared jointly with Lichfields and U+I, which illustrates the economic, environmental and social returns offered by Heritage at Risk sites in London.

Ten case studies show how 'investment into Heritage at Risk can deliver an unrivalled richness of regeneration outcome', from economic and employment outputs to community education and engagement. A considerable overlap between Heritage at Risk and areas of greatest deprivation in London (and England), highlights how investment into Heritage at Risk can pay a social dividend.

[Lichfields' Heritage at Risk study, launched by Historic England](#)

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## **TfL seeks partner to develop 12 acre site for affordable housing**

Mayor of London Sadiq Khan has announced proposals for a new neighbourhood of 1,500 homes in east London. The land, located on the Limmo Peninsula, is the largest site owned by TfL, who are currently in the process of looking for a delivery partner to develop the site.

As one of London's biggest landowners, TfL have committed to working with the Mayor to bring forward land to help meet his targets for affordable homes, whilst generating revenue to improve transport infrastructure.

The Mayor of London commented:

'The Limmo Peninsula has the capacity to be transformed into a booming new East London neighbourhood. With Elizabeth Line works almost complete, I am pleased that TfL is now in a position to bring forward this site for development.'

The Mayor has set an ambitious target of 50% affordable homes being delivered on public land, with individual sites ranging from 35% to 100%. The almost 5-hectare site on the Limmo Peninsula will provide 40% affordable homes.

[Mayor of London, Mayor announces largest TfL site so far for major housing boost](#)

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## **City of London moves to block office to residential conversions**

The City of London has approved a non-immediate Article 4 Direction that once confirmed, will exempt it from legislation that allows office space to be converted to residential without a planning application.

The City is currently exempt from the General Permitted Development Order right, as it was considered in 2015 to be a nationally significant area of economic activity; however, the protection is due to expire on 30 May 2019.

If confirmed, the direction is due to come into force on 31 May 2019.

[City of London, Planning and Transportation Committee's draft minutes \(29 January 2018\)](#)

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## **Mayor pledges £6.8m toward London's largest living rent scheme**

The Mayor of London, Sadiq Khan, has committed £6.8 million toward the Sugar Works development at Royal Wharf, Silvertown. The development is part of the wider regeneration of Royal Wharf that will see the creation of 3,385 homes.

Housing Association L&Q proposes to build 243 apartments for London Living Rent on the site. This will be capped at around two thirds of the local market rent, with an opportunity for residents to purchase their home in the future, either through shared ownership, or to purchase outright.

The Mayor's pledge has come from the £3.15 billion deal he made last year with the Government, aimed at 90,000 affordable homes being started in London by 2021.

[Mayor of London, Mayor's largest London Living Rent scheme launched](#)

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## **Plans approved for 100% affordable, factory-built tower**

Proposals for a 21-storey residential tower that will be constructed off-site have been approved by the Mayor of London, Sadiq Khan. The scheme in Croydon will be one of the tallest to be built using modular construction techniques, an approach that allows homes to be built at a greater speed than conventional construction methods.

70% of the homes will be marketed to first-time buyers at a price below the market rent. The developer, Pocket Living, has agreed to make the remaining homes available for shared ownership, making 100% of the 153 homes affordable.

Khan commented:

'Tackling London's housing crisis requires bold new approaches. We know turning things round will take time, but off-site construction is an innovative way to speed up building the affordable homes our city needs. I invested in Pocket Living to help them build genuinely affordable homes that are sold to local people first.'

[Mayor of London, Mayor approves factory-built scheme with up to 100% affordable](#)

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## £6m pledged toward the improvement of local environments

Mayor of London Sadiq Khan has committed £6 million of funding to improve the local environment and upgrade green spaces across the capital.

Some of the funding will go towards the installation of water fountains in a bid to reduce the number of single-use bottles thrown away each year.

The funding will also help to improve local green spaces, especially in areas with poor access to parks, contributing toward the Mayor's plans to make London the world's first National Park City.

[Mayor of London, Mayor's £6m fund to boost green spaces & reduce plastic waste](#)

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## The Lichfields perspective



**The Mayor's support for small sites' schemes and public land development is not new news, as this is clearly detailed in his draft London Plan. However, there are emerging concerns particularly around the very high target proposed for small site development (24,573 homes/year), and the over-reliance of the draft Plan on Outer London boroughs to deliver it (68% of the small sites target to be delivered in Outer London). Another key area of concern relates to the 50% 'fast-track route' level of affordable housing required from public land development, particularly in relation to land that has been released from public ownership.**

Giorgio Wetzl, Policy Researcher

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Registered office:  
14 Regent's Wharf  
All Saints Street  
London N1 9RL