# London’s housing crisis worsens as approvals fail to translate into homes amid rising homelessness costs



London councils are hemorrhaging £5.5 million every day to manage the homelessness crisis—an obscene waste of taxpayer money on temporary band-aids that do nothing to address the root cause. This figure has skyrocketed from £4.2 million daily in 2023/24, highlighting a city spiraling out of control due to failed housing policies. Meanwhile, the so-called 'solutions' are nothing more than window dressing; with only 3,991 affordable homes started in 2024/25 and just 38 completed between April and June, it’s clear that the promised affordable housing is simply not materializing. Instead of tackling the housing shortfall head-on, the government and local authorities continue to throw money at superficial measures while the nation’s capital remains in a state of crisis.

Although thousands of planning permissions have been granted—over 300,000 across Greater London—the reality is that the vast majority of these developments remain unbuilt. Campaigns like Fifty Thousand Homes have shown that London’s planning system is more than capable of approving new projects—yet progress stalls at the developer’s desk. Since 2014, permissions for around 50,000 new homes annually have been granted, but less than half of these are ever constructed. Fewer than 25,000 new homes are built each year—only half the number needed to meet actual demand. So much for bureaucratic delays being blamed; the problem lies in a system that facilitates approvals but fails to deliver.

The Mayor of London claims to acknowledge these failures but continues to prioritize questionable developments over genuine housing solutions. For example, approval was given for 441 homes on a former Citroen dealership site in Brentford despite initial objections from the local council. Despite the criticism that affordable housing targets are falling short nationwide, the Mayor has floated plans to reduce the current requirement that 35% of new developments be social or affordable housing—an alarming move that risks further exacerbating the housing shortage. With such half-measures, it’s no surprise that London’s housing crisis persists and worsens.

Supporters of more development welcomed the new National Planning Policy Framework, claiming it as a silver bullet. But in reality, it is yet another distraction from the fundamental failures that have left families on the streets and the homeless numbers soaring. Rising construction costs, interest rates, and infrastructure hurdles are cited as excuses for inaction—yet these are problems that could be addressed with a government that takes a no-nonsense approach to reform rather than kowtowing to developers and vested interests.

The London Plan aims to deliver 880,000 homes over the next decade—an admirable goal, but one that’s entirely dependent on converting permissions into actual buildings. With scores of approved sites left vacant and affordable homes chronically underdeveloped, it’s evident that simply issuing planning permissions is no longer enough. The real issue is a lack of political will to enforce delivery, coupled with policies that keep the problem perpetually out of sight rather than solving it.

In summary, London's housing crisis isn’t due to an insurmountable lack of planning approvals but to a systemic failure to translate those approvals into homes. Rampant costs, bureaucracy, and political dithering keep the city stuck in a cycle of homelessness and inadequate shelter. It’s high time for bold, decisive action—rather than more empty promises—to finally turn things around and put the needs of ordinary Londoners first.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.standard.co.uk/news/london/london-councils-ps5-5m-homelessness-crisis-temporary-accommodation-b1250477.html> - Please view link - unable to able to access data
2. <https://www.standard.co.uk/news/london/london-councils-ps5-5m-homelessness-crisis-temporary-accommodation-b1250477.html> - London councils are spending £5.5 million daily to address the homelessness crisis, primarily on temporary accommodation for families. This expenditure has increased from £4.2 million per day in 2023/24, highlighting the severe housing shortage in the capital. The London Mayor, Sadiq Khan, is considering reducing the requirement for 35% of new developments to be allocated as social or affordable housing. In 2024/25, only 3,991 affordable homes were initiated, with just 312 additional homes started between April and June, and a mere 38 affordable homes completed during this period.
3. <https://www.bbc.co.uk/news/uk-england-london-39074885> - Campaigners have highlighted that, despite planning permissions being granted for 50,000 new homes annually in London since 2014, over a third of these approved homes remain unbuilt. This shortfall exacerbates the housing crisis, with fewer than 25,000 homes constructed each year over the past six years, compared to the 50,000 required. The Fifty Thousand Homes campaign, launched by London First, aims to ensure London builds the necessary homes to remain competitive. The Mayor of London, Sadiq Khan, acknowledged the significant challenge posed by this data.
4. <https://www.london.gov.uk/press-releases/mayoral/mayor-approves-400-new-homes-in-brentford> - The Mayor of London, Sadiq Khan, has approved plans for 441 new homes on the site of a former Citroen car dealership in Brentford, with 50% designated as genuinely affordable housing. The development was initially refused by Hounslow Council in February 2018. However, after the Mayor's intervention, the scheme was granted approval, with 218 of the homes being genuinely affordable, including shared ownership for first-time buyers and homes based on social rent levels for low-income households.
5. <https://www.standard.co.uk/news/london/tooting-springfield-hospital-village-449-homes-housing-city-hall-wandsworth-permission-b1186581.html> - City Hall has granted permission for 449 new homes to be built at Tooting’s Springfield Village development, overruling Wandsworth Council's refusal. The project, representing the final phase of redeveloping the land around Springfield Hospital, will also add 2.7 acres of public open space to Springfield Park. Despite the council's concerns about potential pressure on public transport and surrounding road networks, Deputy Mayor for Planning, Jules Pipe, stated that the development would make a substantial and positive contribution to London’s housing targets.
6. <https://www.londoncouncils.gov.uk/news-and-press-releases/2024/new-planning-framework-important-part-jigsaw-delivering-homes-and-jobs> - London Councils has welcomed the launch of the new National Planning Policy Framework, describing it as an 'important part of the jigsaw' for increasing housebuilding and delivering much-needed new homes and jobs in the capital. The framework aims to address challenges undermining London's ability to deliver new homes, including a pipeline of 286,000 homes granted planning permission but awaiting construction. Factors affecting housebuilding include rising construction costs, high interest rates, infrastructure investment needs, a shortage of skilled construction workers, and insufficient long-term funding for affordable homes.
7. <https://www.london.gov.uk/programmes-strategies/planning/planning-applications-and-decisions> - The Mayor of London has powers over strategic development proposals, including the ability to call in planning applications for his own determination. The London Plan, the statutory spatial development strategy for Greater London, guides and shapes the city's development. The Mayor's planning powers aim to address housing challenges by securing permissions for housing development, increasing housing density, and working with local councils to substantially increase the rate of building in every borough. The next London Plan aims to plan for 880,000 homes over ten years, a rate not seen since the 1930s housing boom.