# New home building in London collapses amid delays in safety regulation approvals



A recent report has revealed a dramatic collapse in new home building across London, with only 1,210 new housing starts recorded in the first quarter of this year across just 10 of the city's 33 boroughs. This data, compiled by residential development consultant Molior, highlights that 23 boroughs reported zero new housing starts during this period. The figure represents the lowest three-month total since the first quarter of 2009, during the height of the financial crisis. If this trend continues, London is projected to achieve merely 5.5% of the government's annual target of 88,000 new homes.

Molior’s analysis points to multiple factors behind this downturn, citing a reduced number of off-plan investment buyers as one aspect. However, the core issues appear to stem from delays and complications related to the safety regulations introduced following the 2017 Grenfell Tower fire, which tragically claimed 72 lives. These regulations include the gateway 2 and gateway 3 checks enforced by the Building Safety Regulator (BSR). The gateway 2 approval is mandatory before construction can commence, while gateway 3 clearance is required before residents can occupy new buildings.

Reports have surged recently from developers and builders experiencing long waits to obtain gateway 2 approvals, with delays extending beyond the promised 12-week timeframe. Tim Galloway, deputy head of the BSR, acknowledged these hold-ups and attributed part of the problem to a lack of industry design expertise. Speaking to building.co.uk, Galloway admitted he had “underestimated” the difficulty companies face in transitioning to the new regulatory regime. He further stated that applicants “don’t quite as yet understand what is expected of them,” despite years of prior notifications from the Health and Safety Executive, which oversees the BSR.

Richard Goodwin, construction director of London-based Olympian Homes, described the delays as a “national scandal” in an interview with building.co.uk. Goodwin criticised the BSR for what he described as a lack of support and engagement with applicants before submissions, reportedly due to a policy aimed at avoiding perceptions of bias: “Apparently this is because they don’t want to be seen to mark their own homework.” He added that the introduction of the new regulations represented a monumental shift in procurement practices, compounded by poor and contradictory guidance, yet the industry received minimal assistance in navigating the changes. According to Goodwin, a “silo mentality prevails” within the regulator.

The challenges posed by the gateway system have significant financial implications as well. Paul Heather, chief executive of McLaren Construction, told building.co.uk in February that gateway 2 and 3 approval delays cause project postponements of six to 12 months. This slowdown has resulted in "significant cost impacts" and has led investors to withhold funding or deem projects unviable.

Neil Jefferson, chief executive of the Home Builders Federation, echoed concerns earlier this month, stating that some applications are taking “the best part of a year to process” and emphasised the severity of the disruptions caused by these holdups.

Some applicants have reported that their gateway 2 applications, even after initial validation by the BSR, are being rejected months later. Galloway confirmed that around 40% of gateway 2 applications are rejected for not meeting requirements, and an additional 35% are returned due to missing essential information, sometimes at a basic level.

The ongoing delays and regulatory bottlenecks appear to be significantly affecting London's new home construction sector, raising questions about the broader implications for housing supply and development in the capital. The building.co.uk report presents a detailed overview of the situation as it currently stands.

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

## Bibliography

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