# London housing policy measures delayed as delivery crisis worsens



A much-anticipated package of policy measures intended to revive London’s struggling housebuilding sector has been postponed until at least the end of October, sources reveal. The government and the Greater London Authority (GLA) have been in protracted discussions concerning short-term interventions designed to ease housing delivery under current economic pressures.

The awaited announcement, initially expected mid-October, reportedly includes a reduction in affordable housing requirements from 35% on private sites and 50% on public sites to around 20%, alongside possible adjustments to design standards. However, disagreements between the Ministry of Housing, Communities and Local Government (MHCLG) and the GLA over the political implications, procedural details, and the specifics of the package have delayed the move. The government is keen to issue the statement before the Office for Budget Responsibility publishes its economic growth forecasts alongside the budget on 26 November.

This deferment comes amid growing concerns from the Home Builders Federation (HBF), whose recent reports describe London’s housing delivery as being in “major crisis.” The capital experienced a 12% drop in completed homes in the year leading to June 2025, with only 30,000 new homes finished—a decline that threatens London’s contribution towards the government’s target of 1.5 million new homes nationwide by 2030. The HBF attributes this downturn to lengthy planning delays, high construction costs, complicated policies—including the London Plan’s 88 additional policies—and delays linked to the Building Safety Regulator’s stringent safety requirements.

Specific challenges related to affordable housing obligations have also been cited. Currently, London sites are expected to deliver 35% affordable housing for private developments and up to 50% on public land, targets which many developers find increasingly unviable amidst rising costs and a subdued market. The HBF’s research highlights that such high thresholds, coupled with complex tenure mix demands, are stifling progress, advocating for greater policy flexibility that reflects current economic realities.

Further compounding delivery issues, the HBF has highlighted that approximately 8,500 affordable homes face being left unoccupied due to social housing providers hesitating to take on new Section 106 contracts, resulting in an estimated 700 housing developments being stalled. This bottleneck undermines national housing goals and reinforces calls for urgent government intervention to reinvigorate the housing market.

The Mayor of London, Sadiq Khan, acknowledges the difficulties facing the sector as a “disastrous inheritance” from previous administrations, compounded by soaring construction costs and economic pressures. In response, the Mayor has committed to bold measures, including exploring development on the green belt and launching a £100 million Housing Kickstart Fund. This fund aims to convert stalled market-rate homes into genuinely affordable homes for rent and purchase, accelerating delivery across the capital to address the persistent shortfall.

MHCLG has not yet provided comment on the delay or the forthcoming policy package, while the Mayor’s office emphasises a collaborative approach with the government to support the ambition of “getting Britain building again,” despite the lingering challenges inherited by the capital’s housing system.

With London facing a critical juncture in housing delivery—hampered by policy complexity, financial pressures, and procedural delays—the eventual implementation of the emergency package is widely expected to be a vital step towards revitalising the city’s housing market. Yet, the delay underscores the political and operational challenges involved in balancing ambitious housing targets with practical deliverability in one of the world’s most complex urban markets.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.bdonline.co.uk/news/emergency-planning-package-to-boost-londons-housebuilding-delayed/5138788.article), [[5]](https://www.housingtoday.co.uk/news/emergency-planning-package-to-boost-londons-housebuilding-delayed/5138778.article)
* Paragraph 2 – [[3]](https://www.theplanner.co.uk/2025/09/15/london-housing-delivery-major-crisis), [[6]](https://www.hbf.co.uk/news/urgent-government-action-needed-to-prevent-london-housing-delivery-collapse-warns-hbf)
* Paragraph 3 – [[4]](https://www.hbf.co.uk/research-insight/mind-the-gap/), [[6]](https://www.hbf.co.uk/news/urgent-government-action-needed-to-prevent-london-housing-delivery-collapse-warns-hbf)
* Paragraph 4 – [[2]](https://www.hbf.co.uk/news/8500-new-affordable-homes-risk/), [[4]](https://www.hbf.co.uk/research-insight/mind-the-gap/)
* Paragraph 5 – [[1]](https://www.bdonline.co.uk/news/emergency-planning-package-to-boost-londons-housebuilding-delayed/5138788.article), [[7]](https://www.london.gov.uk/www.london.gov.uk/media-centre/Mayor_unveils_major_new_%C2%A3100m_Housing_Kickstart_Fund_to_accelerate_stalled_developments_and_boost_delivery_across_the_capital)
* Paragraph 6 – [[1]](https://www.bdonline.co.uk/news/emergency-planning-package-to-boost-londons-housebuilding-delayed/5138788.article), [[7]](https://www.london.gov.uk/www.london.gov.uk/media-centre/Mayor_unveils_major_new_%C2%A3100m_Housing_Kickstart_Fund_to_accelerate_stalled_developments_and_boost_delivery_across_the_capital)

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

## Bibliography

1. <https://www.bdonline.co.uk/news/emergency-planning-package-to-boost-londons-housebuilding-delayed/5138788.article> - Please view link - unable to able to access data
2. <https://www.hbf.co.uk/news/8500-new-affordable-homes-risk/> - The Home Builders Federation (HBF) reports that approximately 8,500 affordable homes are at risk of remaining unoccupied due to a lack of commitment from social housing providers to take on new Section 106 contracts. This issue has led to delays in housing delivery and undermines national housing targets, with around 700 housing developments stalled as a result. The HBF urges government intervention to address these challenges and prevent further stagnation in the housing market.
3. <https://www.theplanner.co.uk/2025/09/15/london-housing-delivery-major-crisis> - The Planner highlights a significant crisis in London's housing delivery, with only 30,000 homes completed in the year to June 2025, a 12% decrease from the previous year. The Home Builders Federation warns that London's contribution to the government's target of 1.5 million new homes by 2030 is at risk, citing factors such as lengthy planning delays, complex policies, and increased costs. The report calls for urgent government intervention to address these issues and support housing delivery in the capital.
4. <https://www.hbf.co.uk/research-insight/mind-the-gap/> - The HBF's 'Mind the Gap' report examines the challenges facing London's housing delivery, including the complexity of the London Plan with 88 additional policies, high affordable housing requirements, and delays caused by the Building Safety Regulator. The report reveals that London's 35% affordable housing requirement is increasingly unsustainable, with many developments unable to meet this threshold. The HBF calls for policy evolution to reflect current realities and increased flexibility, particularly regarding tenure mix, to improve housing delivery.
5. <https://www.housingtoday.co.uk/news/emergency-planning-package-to-boost-londons-housebuilding-delayed/5138778.article> - Housing Today reports that a package of policy measures aimed at boosting London's housebuilding market has been delayed until at least the end of October. The measures, which include a potential reduction in affordable housing requirements to around 20%, were expected to be announced earlier but have been postponed due to discussions between the Ministry of Housing, Communities and Local Government (MHCLG) and the Greater London Authority. The delay is attributed to disagreements over the politics, details, and procedure surrounding the move.
6. <https://www.hbf.co.uk/news/urgent-government-action-needed-to-prevent-london-housing-delivery-collapse-warns-hbf> - The HBF warns of a major crisis in London's housing delivery, with both housing completions and planning permissions falling year-on-year. The report highlights factors such as lengthy planning delays, complex policies, and increased costs, including the Building Safety Regulator's impact on high-rise developments. The HBF calls for urgent government intervention to improve the deliverability of homes in the capital and to meet housing targets.
7. <https://www.london.gov.uk/www.london.gov.uk/media-centre/Mayor_unveils_major_new_%C2%A3100m_Housing_Kickstart_Fund_to_accelerate_stalled_developments_and_boost_delivery_across_the_capital> - The Mayor of London, Sadiq Khan, has announced a new £100 million Housing Kickstart Fund aimed at converting market-rate homes on stalled development sites into affordable homes for rent and purchase. This initiative is part of a broader package of measures to boost council and genuinely affordable housing supply amidst a national housing downturn. The funding is intended to accelerate stalled developments and increase the delivery of affordable homes across the capital.