

The Real eState with Peter Bill

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Sadiq Khan's new London Plan calls for 'densification.' But developers are worried that a leftward shift will see less rather than more development. Two eminent planners would like to see viability studies subtracted from the process.



London folk will have to live and work ever more cheek by jowl, thanks to the Mayor of London's drive to encourage 'densification' in the new London Plan, published last week. Developers will be delighted by Sadiq Khan's plan to squeeze 70,000 more people a year into the capital without bursting the Green Belt. Land can make up 10%-40% of the total cost of a project. Existing permissions will likely be re-examined. Those who bought land, assuming X-square feet of development, will be looking to see if X + as many square feet of free-of-land-cost space is an option, when the new rules come into play in late 2019. Prices of sites ripe for 'densification' will rise in value pretty much straight away. Now for the bad news. Next May's London borough elections may bring a Momentum-led shift. A swing which threatens to turn moderate Labour councils into militant anti-developers.

Carter Jonas planning partner, Katy Davis, says her firm is experiencing a rise in work load from developers looking to secure permissions ahead of next year's elections. All councils, bar the City of London, face a vote on 3 May. Davis was speaking at an event I chaired at her company's headquarters off Oxford Street on 23 November. On the panel were London's two foremost planning officers: Annie Hampson, Chief Planning Officer from the City Corporation and John Walker, who runs Westminster's planning department. About 50 guests breakfasted on bacon rolls and coffee before an hour-long Q & A. Their non-political advice was clear. Please employ consultants who have knowledge of either the Square Mile or Walker's bailiwick. Why? The system is complex enough, without having applications funnelled through those with limited knowledge of either authority.

Should the system be simplified? Both Hampson and Walker said yes. Too many things have been bolted onto the planning system over the last 30 years. One such example is the subtraction of the need to become involved in financial discussions about the viability of schemes when negotiating the number of affordable homes. The present rules mean viability has to be discussed in detail, greatly adding to the time it takes to determine an application and it is distracting planners from their core responsibilities. The purpose of the planning system should be to decide the merits of the scheme. The financial risks of the scheme should lie with the developer, who knows the rules.

Last May the City held elections for 100 councillors. The atmosphere has changed subtly, with the election of five Labour councillors. New members are doing what new members do. Stories about "lavish spending" by the Corporation have been published. It's too early to say if Westminster will be affected by a leftward-swing in London politics. But in Haringey a partnership with Lend Lease to build homes is already under threat, due to the de-selection of moderate Labour councillors who support the bid. A tug between a Labour Mayor who wants London to build and local councillors who don't is looming.

Peter Bill

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