

**Mayor of London - Towards a new London Plan - consultation**

**Response from Propertymark**

**June 2025**

**Background**

1. Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.<sup>1</sup>

**Consultation – overview**

2. Produced by the Mayor of London, the London Plan is the strategic plan for Greater London, setting out the strategy and requirements for homes, workplaces, public transport and open spaces. It is a legal requirement for the Mayor to produce an up to date Plan every five years, but the Plan needs to look beyond this. The next London Plan will look forward to 2050. A draft new plan will be published in 2026 and run from adoption in 2027 to 2050. The consultation invites comment on a paragraph by paragraph basis, rather than setting out specific questions.

**Propertymark Response- Summary**

3. Propertymark welcomes the opportunity to respond to the consultation on the next London Plan. Propertymark would make the following key points:
  - i) The consultation document makes insufficient reference to the Private Rental Sector, and fails to recognise the crucial role it must play in meeting London's housing demand.
  - ii) The London Plan risks having too many other competing priorities to trade off against housing delivery for it to achieve the number of homes required to adequately house Londoners. Significant measures to make new properties energy efficient will drive up construction costs, for example.
  - iii) The short term let market has a significant impact on the availability of private rental tenancies, and therefore wider housing supply in London. The Mayor of London, should

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<sup>1</sup> <https://www.propertymark.co.uk/>

be doing more to ensure the current UK Government enact the powers in the Levelling-up and Regeneration Act 2023 for a national registration scheme for short term lets in England and introduce a new planning “use class” for short term lets, or ensure the UK Government amend the Act to strengthen legislation to regulate the short term lets market.<sup>2</sup>

### **Consultation Comments**

#### **Paragraph 1.3: How many homes will it plan for?**

4. Propertymark notes that the UK Government have advised London’s housing need is 87,992 homes per year. However, Propertymark member agent Savills estimated in 2017<sup>3</sup> that an even higher level of delivery is needed to meet need and improve affordability, suggesting that 90,000-100,000 new homes are needed in London each year, and at that time, the Standard Model’s estimate was for a need of 66,000 homes. Given that housing delivery has been much lower than either of these figures since 2017, it is likely that today, Savill’s figure of 90,000-100,000 is an underestimate of present and future need.

#### **Paragraph 1.4: Viability and delivery**

5. Propertymark would note that unless there is a significant change in approach, it is highly unlikely that London’s housing supply will meet even the Standard Model’s estimate of demand over the next decade. Propertymark welcomes the Greater London Authority’s (GLA) acknowledgement that policies on climate commitments, inclusion, health and wellbeing will negatively impact the costs and viability of development. Care should be taken to make sure policies in these areas are designed in such a way that these objectives do not derail the primary objective of achieving an adequate, high quality supply of housing. Propertymark notes the significant drop in construction starts, which have fallen to their lowest level since 2010, with 23 London Boroughs recording zero starts in Q1 2025.<sup>4</sup> In these circumstances, Propertymark urges the GLA to relentlessly focus on housing delivery, and not be side-tracked by other competing priorities.

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<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2023/55>

<sup>3</sup> <https://www.savills.co.uk/blog/article/225500/residential-property/reforecasting-londons-housing-supply.aspx>

<sup>4</sup> [https://mktgdocs.cbre.com/2299/aaf0b4d9-c3fa-45ab-8c19-9831be083da0-356504246/London\\_Residential\\_New\\_Build\\_R.pdf](https://mktgdocs.cbre.com/2299/aaf0b4d9-c3fa-45ab-8c19-9831be083da0-356504246/London_Residential_New_Build_R.pdf)

6. As part of the UK Government's plans for further devolution, Propertymark would encourage greater block grant funding for the Mayor to fund affordable housing projects. Funding could also be used to encourage the private rental sector to provide housing for London residents in temporary accommodation or on Housing Waiting Lists.

**Paragraph 1.5: What is this document about?**

7. Propertymark welcomes the GLA's understanding that clear choices lie ahead and that commitments on climate and health, for example, may impact on the GLA's ability to deliver 880,000 homes. Propertymark encourages an approach that encourages developers to bring forward schemes where other considerations work, as far as possible, in harmony with the objective of significant uplift in housing supply.

**Paragraph 1.10: Good growth objectives**

8. As set out above, Propertymark would encourage the GLA to seek an approach where the six Good Growth objectives work in harmony rather than as competing priorities; the wrong approach could lead developments which might otherwise take place to become unviable or unattractive to developers. All the Good Growth objectives are laudable, but the risk of having six distinct priorities is that there will not be enough focus on the most acute issue, the housing shortage. The GLA should consider that delivering sufficient, quality housing with appropriate transport infrastructure for London residents is a necessary prerequisite to achieving aims in respect of healthy, strong, resilient communities with access to well paid jobs.

**Section 2: Increasing London's housing supply**

9. Propertymark recognises the significant challenges to an increase in supply, including the availability of workers, the cost of materials, finance for mortgages, and issues with regulation. Propertymark would note that these issues are also constraining the supply of privately rented properties and increasing the cost of maintenance work on existing properties. Reductions to mortgage interest relief and increases in interest rates have also increased landlords cost, so taken together with the additional tax burden landlords face, the private rental sector is likely to shrink

or become even more expensive as landlords struggle to manage these costs.<sup>5</sup> The Mayor should consider urgent discussions with the Labour Government to see what steps can be taken to reduce the burden of taxation on landlords to encourage them to remain in the market, and to allow them to keep rents from rising further. Any costs on landlords are ultimately reflected in the rents paid by tenants.<sup>6</sup>

#### **Paragraph 2.1: A brownfield first approach**

10. Propertymark welcomes the brownfield first approach, and would encourage the GLA to consider the outcomes from the Brownfield Land Release Fund in the boroughs which have been granted funds to date.<sup>7</sup> The GLA may wish to consider a similar London-based fund, particularly for land under control of the Greater London Authority, as well as any TFL and NHS Trust sites which are no longer required. A greater focus on speeding up planning within Councils and building on land under the Mayor's control will ultimately allow more properties to be built and help make housing in London more affordable. The Greater London Authority as well as Transport for London and the National Health Service should release land for residential development and ensure that development works alongside local need including for families and older people. Redevelopment projects should be emphasis placemaking, making communities attractive places to live, work and visit while maintaining London's unique architecture and heritage.

#### **Paragraph 2.12: Affordable housing**

11. Propertymark agrees that London needs more social and affordable housing but would encourage the GLA to consider the role which private landlords must play. The supply of privately rented property has been negatively affected by a number of policy decisions at a national level. Some London Boroughs have addressed this by providing cash incentives for private landlords to house vulnerable and low waged tenants, but this is not the case across London and the GLA may wish

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<sup>5</sup> Section 24 of the Finance Act 2015 places restrictions on the tax relief that landlords can receive on their finance costs. The measures were phased in over a five-year period between April 2017 to April 2020. Under the new rules, landlords can no longer deduct those additional costs from the income they earn on their properties before it's taxed. Landlords instead can now get a tax-credit at the basic 20% rate on the lower amount from finance costs (such as mortgage interest), property business profits or adjusted total income. These tax relief rules apply to individual landlords operating in the private rented sector.

<sup>6</sup> <https://www.propertymark.co.uk/resource/impact-of-tax-changes-on-the-private-rented-sector.html>

<sup>7</sup> <https://www.gov.uk/government/news/thousands-of-new-homes-to-be-built-as-government-unlocks-brownfield-sites>

to consider a London-wide scheme to encourage landlords to help the 183,000 Londoners living in temporary accommodation.

12. Furthermore, with greater block grant funding from increased devolution, the GLA should fund local authorities to support landlords in plugging gaps from increased taxation costs in return for letting to tenants in receipt of benefits or on lower incomes. Propertymark can help to administer such a scheme, with member agents working in partnership with local authorities to support vulnerable and low waged tenants into accommodation.
13. Given the GLA's aims on net zero and energy efficiency, the GLA could also consider a scheme incentivising private sector landlords to make energy efficiency investment in their property by linking grant funding for such improvements to the landlord's agreement to house tenants at the Local Housing Allowance (LHA) rate.<sup>8</sup>

#### **Paragraph 2.13: Planning for affordable housing**

14. Propertymark agrees that London needs more social and affordable housing but would emphasise the need to boost housing supply in all tenures to have any hope of reaching the ambition of 88,000 homes a year. Private rents are so high in part because of the constriction of supply, and rents will not stop rising or reduce until the imbalance in supply and demand is addressed. Analysis undertaken by Savills and funded by London Councils and Trust for London found that from April 2021 to December 2023, 45,000 rental properties in the private rented sector in London were sold without being replaced, reducing choice and driving up rents for tenants. This accounts for 4.3% of London's privately rented homes.<sup>9</sup> The research also found that properties are leaving the rental market at a much faster rate in the most affordable locations to rent. Propertymark are clear that a number of policy measures by central Government, particularly reduced rates of mortgage interest relief, have significantly contributed to private sector landlords exiting the market.<sup>10</sup>

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<sup>8</sup> <https://www.propertymark.co.uk/resource/improving-access-to-the-prs-for-welfare-dependent-tenants.html>

<sup>9</sup> <https://trustforlondon.org.uk/research/private-rented-sector-accommodation-london-supply-2024/>

<sup>10</sup> English Housing Survey December 2024 – When compared to 2021, in 2024 a higher proportion of landlords who increased rents mentioned recent tax changes (from 13% to 18%), to recover costs from renovation or redecoration (from 18% to 23%) and to recover costs from licensing (from 5% to 7%).

15. In order to meet the demand for housing, it is imperative that the Mayor and GLA understand the essential role which private sector rentals must play if they are serious about tackling the housing shortage in London.

**Paragraph 2.15: Build to rent**

16. Propertymark is pleased that the GLA recognise the importance of increased diversity in the housing market, and is pleased to see the inclusion of Build to Rent in this mix. Propertymark would also encourage equal focus on the existing private rental sector to support affordable renting for all tenants and to reflect the fact that traditional landlords still provide the vast majority of homes for people in the private rented sector.

**Paragraph 2.16: Other housing options**

17. In terms of the role private sector rentals could play, the introduction of a PRS Database as part of the Renters' Rights Bill ends the need for local authority property licensing. This is because the PRS database will require landlords to register their properties online and evidence compliance. As this data will be accessible to local authorities, once up and running the PRS Database will remove the need for property licensing schemes.<sup>11</sup> Although the UK Government has indicated it sees a continuing role for local authority licensing, the Mayor of London should lead the way by exempting landlords from licence fees who use agents who are qualified and regulated by a professional body such as Propertymark. This ensures that properties are managed to a high standard and in compliance with regulations, regardless of the landlord's geographic location. Such measures not only promote professionalism within the rental sector but also contribute to maintaining the quality and integrity of rental properties across the board.
18. To support renters with affordability, the Mayor of London should work with employers across London to offer interest free loans to more Londoners to pay for their deposit when moving into private rented property. Repayments can be made in instalments via deductions from their monthly salary, over a period of time, such as twelve months. These schemes can help staff secure

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<sup>11</sup> Part 2 and Part 3 of the Housing Act 2004 sets out the framework for licensing private rented properties in a local housing authority area. Under section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to selective licensing if the area to which it relates satisfies one or more conditions including low housing demand, a significant and persistent problem caused by anti-social behaviour or high levels of crime.

a property without incurring financial difficulty leading to debt and it can also help companies recruit and retain staff.

**Paragraph 2.17: Specialist and supported housing and housing London's older population**

19. Propertymark recognises that there is an urgent need for more accessible housing and better support for older people and disabled individuals across all tenures. Propertymark member data shows that 64% of sales agents and 62% of letting agents reported it was difficult or very difficult for people with disabilities to secure accessible or adapted homes. Propertymark would like to see measures for increased availability of accessible homes across all tenures. The GLA could consider requesting information from London Boroughs in respect of properties which have received Disabled Facilities Grants to build a London-wide register of adaptable properties.
20. In respect of the GLA's concerns about the quality of some Houses in Multiple Occupation (HMOs), and quality issues more broadly in the private rental sector, Propertymark would note that the current approach places a significant burden on local authorities to administer licensing schemes. As noted above, Propertymark would encourage use of the PRS Database by the GLA, introduced as part of the Renters' Rights Bill, to relieve the burden from local authorities. We would also encourage the Mayor and GLA to support the regulation of managing agents, letting agents and sales agents through membership bodies such as Propertymark to drive up standards in a coordinated way across the property sector.

**Paragraph 3.3: Town centres and high streets**

21. Propertymark agrees that town centres can contribute to housing supply, and the GLA may wish to review its designations of town centres and high streets to make them more concentrated geographically where there are a higher proportion of vacant units. This would allow properties which are currently retail, office or commercial, but are on the edge of town centres and high streets in locations with relatively low footfall, to be converted into residential. However, this is unlikely to unlock a significant number of properties, and the costs involved for local authorities in redesignating town centres and high streets may not be proportionate to the benefits.

### **Paragraph 3.7: Visitor economy**

22. Propertymark has been outspoken in the past over how the proliferation of short-term lets risks reducing the size of the private rented sector. An increase in short-term and holiday lets also reduces the number of homes for people to purchase which increases house prices as supply is reduced.
23. The vast majority of our members support the introduction of a licensing scheme with physical checks for short-term let premises as well extending the current health and safety requirements and tenant protections to short-term lettings. This is to ensure a level playing field with the private rented sector and ensure there are adequate protections in place for consumers. The Levelling Up and Regeneration Act 2023 includes measures to allow for the introduction of a national registration scheme for short-term lets in England, aiming to provide local authorities with more control over these properties. It also allows for the introduction of a new planning "use class" for short-term lets, requiring planning permission for properties used as short-term lets for more than 90 nights a year. These measures are yet to be enacted so it is important that the Mayor urges the Labour Government to do so or seek reassurances from Ministers that the legislation will be strengthened and amended regulations will come into force.

### **Paragraph 4.1: Building height and scale**

24. Propertymark welcomes the interest in increasing construction by small and medium sized builders. Many challenges face small and medium sized builders, particularly since the financial crisis when many small and medium sized builders were unable to survive due to a lack of available finance. If the GLA is committed to diversifying the market and increasing competition, the GLA will need to work closely with financial institutions and educational institutions to ensure a sufficient workforce of small and medium sized builders are available.
25. As part of a London-wide small site design code, SMEs would benefit significantly from the ability to utilise new materials and building technologies to compete with the buying power of larger and more established builders. SME are well placed to take advantage of the new generation of pre-fabricated and modular housing, which could play a valuable role in meeting London's housing demand. This approach could also mitigate the issue around supply of workers. According to a



House of Lords Report<sup>12</sup>, pre-fabricated homes are less labour intensive and could be created in areas of the rest of the UK where labour is cheaper. The same report suggests significant increases in productivity, and therefore the build rate, could be achieved using off-site manufacture for housing construction. SMEs could be helped to grow if the GLA were to engage in discussion with insurance companies and lenders so that SMEs could take advantage of new, cheaper building technologies with confidence.

#### **Paragraph 4.3: Supporting a denser London linked to transport connectivity**

26. Propertymark would like to see the GLA take steps to ensure infrastructure is delivered ahead of or at the same time as new housing developments, including but not limited to transport infrastructure. It should be noted that although students and professionals living in central London tend not to require a car, families are much more reliant on cars and find it harder to access public transport. Propertymark understands from discussion with its members working in London that families are finding it particularly challenging to travel as restrictions increase on road use, and investment is channelled into walking, cycling and rail.

#### **Paragraph 4.4: London's heritage**

27. Approximately 70% of the UK's non-residential building stock was constructed before 2000, and within that are around 600,000 commercial properties dating from before 1919. This diverse and historic collection of property means there are particular technical challenges with standardisation, making a nuanced approach vital. Propertymark member agents would welcome additional guidance, information and advice when dealing with heritage properties in London.

#### **Paragraph 4.6: Heat risk, ventilation and overheating**

28. Propertymark would encourage the GLA to make use of national building regulations to deal with ventilation and overheating. The challenge of delivering the required amount of homes is significant enough without introducing London-specific building regulation that adds further cost and may disincentivise some housing schemes.

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<sup>12</sup> <https://publications.parliament.uk/pa/ld201719/ldselect/ldsctech/169/169.pdf>

29. Propertymark also notes that there are significant plans for heat networks in London and that these heat networks will aim to make use of excess heat, so the GLA may wish to consider the impact of these heat networks and whether they would mitigate sufficiently the urban heat island effect to make extra building regulation unnecessary.

**Paragraph 4.7: Homes for families**

30. Propertymark thinks that there should be a mix of housing types and choices available to London residents. As discussed above, a key factor for many families seeking to buy a home is the availability of parking and ease of travel in a car, as families with young children tend to be burdened with prams and other child-related equipment that makes it impractical to use public transport. Particularly in outer London, due regard must be given to ensuring that families are still able to access the benefits of a private vehicle.

**Paragraph 4.8: Accessible housing**

31. Propertymark recommends a database of accessible housing that includes all housing types — especially private rented homes — so that councils can fully assess local needs and improve access to suitable accommodation. This should be integrated into Local Borough Plans, ensuring accessible housing is developed in the right locations, close to essential support services

**Paragraph 5.1: Energy efficiency standards**

32. Propertymark strongly supports efforts to improve housing energy efficiency but warns that these goals must be realistic, properly supported, and considerate of the sector's diverse nature. We have long advocated for a measured, practical approach to energy efficiency, calling for well-funded, targeted policy that improves housing standards without destabilising the private rented sector. Propertymark would discourage any divergence from national standards, as this would lead to extra compliance costs for housebuilders and uncertainty.

**Paragraph 5.2: Heat networks**

33. Propertymark recommends that the Heat Network policy is integrated with the Plan's provisions on heat risk, ventilation and overheating, as heat networks provide significant opportunity for

reducing the impact of the urban heat island effect and making energy costs more affordable for Londoners.

**Paragraph 5.13: Sustainable transport networks to support**

34. Propertymark supports an infrastructure-first approach towards building new homes with improved transport links, adequate schools and medical centres. The GLA should consider requiring infrastructure to be built in advance of housing in developments of sufficient size.

**Paragraph 5.14: Car parking, cycle parking and deliveries**

35. Propertymark is clear that the car parking situation in London causes a multitude of challenges for residents, and that the problem is becoming more acute as more properties are built without dedicated parking or access to residential parking schemes. Propertymark understands that there are very few provisions in any residential parking schemes for visitors, tradesmen and deliveries, and this creates significant logistical challenges for many residents. Propertymark would encourage the GLA to review its approach to private vehicles, particularly given that internal combustion engines are being phased out and that air quality concerns will become increasingly irrelevant as non-internal combustion engine vehicles become the norm.

36. Propertymark notes that the car parking arrangements in many London boroughs make life particularly difficult for small children with families, for tradesmen with equipment, and for elderly and disabled people whose conditions mean that public transport creates significant challenges.