



HOUSE GUEST

## Build 30,000 affordable homes a year in London by making planning easier for small sites

Young people, unable to buy property, are being forced out of the capital.  
Bold action is needed, says Marc Vlessing

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**F**irst-time buyers suffered in silence during the Covid-19 pandemic. Many of them were “city makers”: the young doctors, nurses and teachers who kept vital services running. Others were in the private sector, technology or media industries, working from home in less-than-ideal conditions, sharing kitchen tables with flatmates, while trying to drown out their friends’ Zoom calls and missing out on mentoring from senior colleagues.

Now they are no longer suffering in silence. They are angry and frustrated and are thinking of leaving the engine room of the UK economy in unprecedented numbers, with the cost-of-living crisis set to drive more than a quarter of young renters out of London, thus undermining the whole economy.

It should not be like this. A shortage of skilled labour means they are not short of job opportunities. Far from it. Nor are they short of love for London – most want to stay. What they are short of is a lack of choice in housing. Almost all of them want to own a home in London, yet due to a chronic lack of supply they are considering living outside the capital.



A room from Pocket Living's Addiscombe Grove development in east Croydon, south London

Among the would-be first-time buyers we polled, there was a strong sense of frustration that the cost-of-living crisis means that they are less likely to be able to afford their own home – almost three quarters of young people renting in London agreed, and a similar number agreed that they were less likely to be able to afford a home even if house prices started to fall. Gone are the days of graduates “doing London” until their thirties and forties. Instead, they are now considering leaving the capital far earlier in their careers.

Pocket Living homes, which are discounted by 20 per cent to local first-time buyers, sell quickly but we are restrained by a planning system that penalises small developers. Suitable small sites take too long to go through planning, and planners call for the same levels of policy requirements as large sites, which small developers just cannot deliver on. As a result, supply doesn't match demand and a whole generation is left bitterly disappointed.

What can be done? Well, plenty if the government were only bold enough to consider implementing policies such as the creation of a more permissive planning environment for the development of small sites that offer the majority of homes for sale for a maximum of 80 per cent of market value. Such sites should be exempt from any infrastructure levy. This could result in an additional 30,000 affordable homes being delivered each year.

There would be a significant electoral dividend for any political party that pledged bold action and delivered on it, with almost two thirds of the 1,000 Londoners we surveyed in August agreeing that they would be more likely to vote for a candidate at the next general election who promises more affordable homes.

As we seek to get the economy back on track it is vital that policymakers in government understand the challenges facing 25 to 45-year-olds who want to own their own home. If they don't, not only will the housing issue continue to cripple the economy, it will also blight the prospects of a whole generation that is being forced to leave London because the likelihood of owning a home in the capital is such an unrealistic prospect.

*Marc Vlessing is co-founder of affordable living developer Pocket Living*