

Sadiq Khan,  
Mayor of London  
Draft London Plan  
London Plan Team  
Planning & Regeneration  
City Hall  
Kamal Churchie Way  
London, E16 1ZE

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Response submitted by email only to: [londonplan@london.gov.uk](mailto:londonplan@london.gov.uk)

Dear Sir / Madam,

**Re: Draft London Plan 2026**

The Land, Planning and Development Federation (LPDF) welcomes the opportunity to respond to the consultation on the 'Draft London Plan 2026' (DLP).

As a Federation, we do not routinely respond to individual development plans unless issues are raised by our members that are of fundamental concern at a national level and have potential implications for planning policy at a wider than local level.

The DLP, which was published in July 2026, does raise significant concerns in a number of areas that could impact on the interpretation of national policy at the local level outside of the London area. These issues also raise fundamental soundness concerns with the DLP that need to be addressed if the Plan is to be compliant with the National Planning Policy Framework (NPPF 2026) and is to meet the needs of the capital city in full, as required by national policy.

About the LPDF

The LPDF seeks to represent the UK's leading land promoters, home builders and commercial developers. LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing "shovel

ready” land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.

The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

## Plan Period

The DLP states that it sets the strategy for spatial development in the capital over the next 20 years and will run from adoption to 2046/7, in order to allow the Mayor to plan properly ahead. However, the Plan only sets a housing target for 10 years between 2027/8 and 2036/7. This is likely to cause similar problems to those which have been encountered by the London Borough's through the lifetime of the current London Plan, as they will be unable to plan for a longer time period in their new local plans. This needs to be addressed and the housing requirement set by the London Plan should cover a full 25 years to align with NPPF Policy PM1.2a for spatial development strategies. This would allow Boroughs to properly plan a longer-term strategy for their areas when they update their local plans.

## Impact on the wider southeast region

In preparing the DLP, the Mayor has not sought to engage with the wider southeast region over the Plan's inability to meet its housing requirement in full. This is contrary to the guidance set out in NPPF which requires any strategy, to set out a positive approach to delivering growth which, as a minimum, seeks to meet the area's objectively assessed needs, and is based on effective joint working on cross-boundary strategic matters. The NPPF goes on to state that a strategy which does not provide for objectively assessed needs should be considered an exception, and only where it is evidenced that stringent efforts have been taken to meet those needs through cooperation with other strategic planning authorities.

The Mayor accepts that the DLP falls short of meeting its full assessed needs by some 290,000 homes over the next decade. Given the magnitude of this deficit, the Mayor has a clear duty to consider how this shortfall will impact the wider southeast.

Failing to accommodate these homes within London will potentially trigger several severe consequences:

- **Regional Housing Strain:** Neighbouring local authorities will face increased overall demand and worsened affordable housing shortages.
- **London Demographic Shifts:** A declining London population will lead to falling school enrolments across the capital, a lack of families living in the City and population decline.
- **Unsustainable Commutes:** Workers will be forced to commute from further away, frequently exceeding the 50-minute maximum travel time the Mayor has deemed acceptable in the DLP for Green Belt release.

Despite these inevitable ripple effects, the DLP lacks any supporting evidence or documentation demonstrating that the Mayor has meaningfully engaged with local authorities in the wider southeast to find a solution.

### **Policy MBUL1 – Spatial Strategy**

Policy MBUL1 is considered to be unsound as it only provides for 558,000 new homes over the next 10 years against a requirement across the same timeframe, as calculated through the Standard Method, of 848,000 new homes. That is a significant shortfall of some 290,000 new homes.

This approach is inconsistent with national policy. The NPPF requires plans to be needs-led, not capacity-led. By setting a target significantly below assessed need, the DLP risks:

- Entrenching London's already severe affordability crisis.
- Increasing overcrowding and concealed households.
- Undermining London's ability to support economic growth.
- Exporting unmet need to surrounding authorities which the Mayor has not sought to address.

This issue is exacerbated by the fact that the DLP has not applied Green Belt policy as set out in the NPPF and this unnecessarily restricts the release of suitable Green Belt land which could significantly contribute to meeting the housing needs of London.

Part B2 of Policy MBUL1 restricts Green Belt release strictly to Broad Locations for Growth (BLG) that demonstrate strong transport connectivity and achievable capacity. The Mayor's narrow criteria conflict with national policy and artificially limit the volume of land released. Furthermore, this policy attempts to strip London Boroughs of their ability to alter Green Belt boundaries or designate grey belt sites through their own Local Plan processes. Given that London is unable to meet its overall housing needs, imposing constraints beyond national policy is wholly unwarranted. The Mayor must not prevent individual Boroughs from utilising national policy mechanisms to address their local development requirements.

## **Policy MBUL2 – Optimising the use of land and site capacity**

Policy MBUL2 is unsound in its approach to setting minimum densities as outlined in the Optimisation Framework. This effectively forces high-density apartment developments across almost all sites. The Mayor is therefore mandating a built form of development for which there is currently very uncertain market demand, particularly in Outer London where there is more focus on lower-density family housing.

Because Paragraph 2.26 discourages Local Planning Authorities (LPAs) from treating lower-density ranges as a default, LPAs are likely to push density toward the upper limits. This creates severe uncertainty for applicants who cannot predict whether their proposals will be accepted. Furthermore, Registered Providers (RPs) are increasingly hesitant to acquire large volumes of apartments via Section 106 agreements.

The Mayor's own Phase 1 London Plan Viability Assessment (LPVS) demonstrates that 50% of tested residential schemes are financially unviable. Unviability is concentrated in Outer London (Value Bands D, E, and F), where schemes exceeding six storeys fail due to high construction costs. In Value Band F, no level of affordable housing is viable, yet the policy still mandates a 20% target under the assumption that public grants or subsidies will bridge the gap. This cannot be guaranteed.

Inflexible density rules in the current London Plan have already stifled housebuilding during changing economic conditions, forcing the Government and Mayor to introduce complex emergency interventions. Adding further rigid density constraints will only worsen site viability.

While the London Assembly has previously recommended that any future density guidance remain flexible, Policy MBLU2 (Part C3) enforces strict compliance. This makes the Optimisation Framework an unnecessary barrier to development.

The London Strategic Housing Market Assessment (SHMA 2026) claims there is no need for market homes with three or more bedrooms over the next decade. This reflects theoretical planning models rather than real-world market demand or developer experience. Furthermore, localised Borough SHMAs will likely contradict these overarching figures by identifying clear local demand for family housing.

With 21 out of 34 London LPAs currently subject to the presumption in favour of sustainable development under the 2025 Housing Delivery Test, there is clearly a significant need for new homes which is going unmet.

The Mayor should therefore remove the Optimisation Framework from the DLP. If it is retained, it will inflate build costs, create planning delays, and will ultimately prevent viable housing schemes from coming forward.

### **Policy HN1 – Increasing London’s Housing Stock**

Under national policy, housing requirements set post-2036/37 must be based on the Standard Method, rather than on capacity-derived figures. The Mayor is therefore responsible for setting 25-year apportioned targets across the London Boroughs to guide the timely adoption of their local plans.

Amending the DLP to align with this policy requirement is not currently possible, without an updated assessment identifying post-2036/37 housing capacity. The Mayor should therefore undertake a new capacity review for the 2037/38–2046/47 period to determine Borough-level apportionment.

It is also considered unsound to limit the housing target of London Boroughs that contain a greenfield component to the annualised equivalent of a brownfield target for the first three years of the DLP period. The housing crisis in London is acute, and suitable land should be brought forward for residential development as soon as possible, regardless of whether it is greenfield or brownfield. There is no justification for delaying potential schemes when housing delivery has fallen so far short of the need against the current London Plan. The London Plan, and its Stage 1 viability assessment, highlight the severe delivery constraints facing previously developed land. Many Boroughs are therefore unlikely to meet their average annual targets, even without holding back greenfield or Green Belt land.

It is also considered unsound to state in Paragraph 3.13, that any under-delivery against brownfield targets should not be off-set at the local level by planning for increased delivery on greenfield land. The London Boroughs will need to undertake a detailed assessment of the deliverability and capacity of their brownfield sites before making any judgement about the amount of greenfield land they will need to meet their housing requirement across the plan period. Artificially limiting the London Boroughs ability to allocate greenfield land for residential development because of capacity, deliverability, or viability issues, severely risks under-delivery against their housing targets, further worsening London’s housing crisis.

Furthermore, Paragraph 3.13 sets out that the greenfield component for housing will only start from 2029/30 and the supporting text confirms that the greenfield element of the housing requirement should be discounted when establishing either the housing trajectory or the monitoring target for the first three years of the Plan.

Delivery of housing on greenfield land forms an integral part of the overall housing requirement and should be planned for and delivered as early as possible, to ensure that the full ten-year requirement is capable of being met. Deferring delivery of the greenfield component risks unnecessarily constraining housing supply in the early years of the Plan and increasing reliance on higher levels of delivery later in the plan period. On this basis, the proposed approach does not represent a positively prepared strategy for meeting identified housing needs and, accordingly, the Plan is not considered sound in this respect.

### **Policy PV6 – Metropolitan Open Land**

The DLP's approach to Metropolitan Open Land (MOL) is considered to be unsound as no strategic assessment of MOL has been undertaken as part of the Plan's preparation. Paragraph 6.41 of the Plan also states that Boroughs are not required to assess the performance of existing MOL.

London is in the grips of a critical housing crisis as the capital has consistently under-delivered against its housing targets. This crisis has been exacerbated over the last 18 months with the viability concerns which have led to a significant reduction in the level of starts on sites, with just over 7,000 homes started in 2024/25.

If London is serious about tackling its housing crisis and helping the Government to deliver on its ambition for 1.5 million new homes across the parliament, then it needs to commit to delivery from all possible sources, not just rely on estate renewal, brownfield land, small sites and the BLGs. A strategic review of MOL is therefore a necessity, especially as the London Plan does not seek to meet its housing requirement in full, as indicated by the Standard Method.

### **Box PV7A – Greenbelt sustainable locations**

This draft policy introduces criteria for the release of Green Belt land for residential development that are inconsistent with national policy, restricting the application of the NPPF across London.

- **First**, the policy applies solely to 'major proposals.' Policy GB7 of the NPPF contains no such distinction between major and minor development schemes.
- **Second**, Part 1 limits eligible sites to those allocated within an adopted Local Plan or masterplan that are consistent with the London Plan. By restricting boundary changes to London Plan identified locations, the draft policy circumvents NPPF Policy GB3, removing the ability of LPAs to alter Green Belt boundaries through their own Local Plan processes.

- **Third**, the sustainability criteria set out in Part 3 conflicts with national policy definitions. The Mayor's restriction of appropriate locations to the stations shown in Figure 6.4, directly departs from NPPF Policy GB7(h). Similarly, requiring housing to be within 400m of a bus route represents an onerous local test not required by national policy, which simply expects sites to be within "a reasonable walking distance of a well-connected train station."

### **Box PV7B – Greenbelt sustainable design criteria**

The approach set out in Box PV7B is unsound as it attempts to override national policy by restricting Green Belt release strictly to BLGs at the expense of grey belt and other sustainable sites.

Although NPPF Policy GB4(d) expects Green Belt boundaries to align with the spatial strategy, it does not prevent LPAs from exploring alternative locations to fulfil their housing requirements in full. National policy explicitly establishes a clear sequential priority: previously developed Green Belt land first, followed by undeveloped grey belt, and then wider Green Belt options.

The London Plan cannot therefore restrict LPAs from utilising this NPPF approach, especially when the DLP faces an unmet target of 292,000 homes.

### **Viability**

The London Plan is underpinned by a viability approach which is entirely unsound and has the potential to significantly undermine the deliverability of the Plan, at a time when economic conditions are already challenging and London's delivery rate has dropped to historically low levels.

The annexes to the London Plan Viability Study Phase 1 report show that fewer than a quarter of the scenarios modelled are viable when measured against the DLP policies. Moreover, the viable sites are predicated on the emergency CIL relief continuing across the lifetime of the Plan, even though this is intended to cease operating in 2028. This assumption is therefore regarded as being optimistic, given that the viability conclusions are based on:

- Unrealistically low profit margins – e.g. market housing profit at 15%-18.5% (15% on 1-10 units, 17.5% on 11+ units, 18.5% on 30+ storeys). These margins do not adequately reflect the risks associated with developments in London and viability is therefore overstated.
- Grant being applied to 90% of the affordable units

- The assumption of 50-60% off-plan sales (seemingly at full value)
- A sales rate of 4-6 sales per month (1-1.5 per week), which is very optimistic in the current market
- A 7% interest rate which does not reflect the true current cost of lending, and
- Wholly inadequate allowances for abnormal costs of (just) 0.25-1.5% of base build costs (0.25% on green belt, 1% for major and medium brownfield, 1.5% for minor development)

The combination of the above assumptions does not reflect the reality “on the ground” and the effect of adopting more realistic inputs would be that fewer of the tested scenarios are shown to be viable.

The Plan also places reliance on an Existing Use Value Plus Zero (EUV+0 / nil premium) approach for Green Belt sites, where Benchmark Land Value (BLV) is set strictly equal to the site's agricultural or current existing use value with no uplift. This represents a fundamental flaw in the Plan's viability architecture. By attempting to capture 100% of land value increase above EUV for policy requirements, the Plan relies on a theoretical land-capture model that completely disconnects from real-world economics. Nil premium assumes landowners will willingly agree to promote and sell their land for agricultural value.

In reality, landowners face zero economic incentive to release sites voluntarily under such terms, creating the potential for a freeze on private land supply across Greater London, thereby exacerbating existing delivery issues.

Furthermore, the GLA's reliance on EUV+0 creates an absurd discrepancy across different development typologies and locations. Under this methodology, a greenfield site allocated for strategic housing delivery is valued at a fraction of an inner-city brownfield site. Worse still, the Mayor's own viability testing demonstrates that even at a nil premium (EUV+0), schemes in lower-value Outer London locations remain financially unviable without significant, uncommitted public subsidies. The policy effectively assumes that public grant will step in to bridge the gap; where grant is unavailable, schemes cannot progress, rendering the Plan's housing targets undeliverable.

Finally, suggesting site acquisition via EUV+0 relies on the assumption that Compulsory Purchase powers (CPO) can be deployed at scale to force land releases at nil premium. Statutory CPO processes are notoriously complex, resource-intensive, and prone to legal challenge; relying on them as a primary delivery mechanism across thousands of homes within the plan period is wholly unrealistic. Combined with fixed, compressed development margins and early, mid, and late-stage viability review mechanisms, the EUV+0 model acts as a structural brake on delivery. This will inevitably stifle private institutional investment, suppress SME housebuilder activity, and exacerbate London's severe housing shortfall.

### Conclusion

I hope that you find this response helpful, and if you want to discuss anything in the representation in further detail, please do not hesitate to contact me. The LPDF would like to reserve the right to appear at the Examination in due course.

Yours faithfully



Phill Bamford

Policy Director