



## CONTACT

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This year, the Mayor of London formalised the Homes for Londoners Supplementary Planning Guidance (SPG) which aims to make more homes affordable to Londoners on low and middle incomes with a long term strategic target for half of all new homes built to be genuinely affordable.

The SPG provides a key first step towards delivering more affordable homes through the planning system and provides guidance on delivering existing London plan policy.

The guidance sets out the mayor's approach to "call ins", where insufficient affordable housing has been provided or there has been insufficient scrutiny of viability information. The Mayor's approach to transparency of affordable housing viability information is also detailed and it is explained how grant funding is going to be used to increase the level of affordable housing.

#### Threshold approach

The SPG details the 'Threshold' approach which will be employed by Local Authorities evaluating viability. The approach is divided into two pathways, the Fast Track Route and the Viability Tested Route.

The [Fast Track Route](#) applies to schemes proposing to deliver at least 35% affordable housing on-site which will not be required to provide a viability assessment and will be subject to early stage review only.

The more onerous [Viability Tested Route](#) applies to schemes proposing to provide less than 35% affordable housing on-site which will be required to submit a Full Viability Assessment and will be subject to both an early stage and late stage review. The SPG confirms that review mechanisms will be stronger and more consistent, and the guidance supports the use of Existing Use Value Plus as a benchmark land value.

#### Requirements for developers

The SPG clearly sets out the affordable housing requirements that developers should expect to deliver on potential development sites and it is hoped that developers will bid for land and development sites with these new policy considerations in mind. The Mayor has already demonstrated that the Greater London Authority will adopt a tough approach on new developments that do not adhere to the new planning policy as demonstrated by the rejection of the new development plans for the former Scotland Yard Site due to unacceptable levels of affordable housing.

#### Delivering affordable housing

**Developers must, therefore, expect to deliver affordable housing on new build residential developments where it is viable and it is here that Rapleys can add value for developers.** Rapleys provides guidance and advice throughout viability and 106 agreement negotiations, and assists with placing affordable tenure units with Registered Providers (RPs) or commuting off site payments.

With vast experience dealing with RPs across the UK, we can advise on their expectations, act as liaison, assist with contract negotiations and draft heads of terms, ensuring that developers secure the best possible deal on the best terms when delivering their units.

For further information and advice, please contact Nick Fell.