

**UK housebuilding****Westminster council issues warning to property developers**

Leader of London authority says it is changing approach on housing



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YESTERDAY by: **Jim Pickard**, Chief Political Correspondent

The leader of Westminster council has issued a strongly-worded warning to property developers that the authority will no longer tolerate builders only catering for well-heeled buyers.

Nickie Aiken, who became leader in January, told the real estate industry on Tuesday evening that the borough should never “simply sell its golden postcodes to the highest bidder”.

Instead, the time had come to insist on more affordable homes being built to meet the growing housing crisis across Britain, the Tory politician argued.

Housing came up frequently during the general election campaign, as an emblem both of inter-generational unfairness and of the government’s struggle to improve public services.

Mrs Aiken told developers that the public was starting to reject what they saw as an increasing social divide between ordinary people and “isolated and disparate wealth”. The top concern for typical residents during the election campaign was the cost of housing, she said — describing that as a wake-up call for politicians.

“I do not want to preside over a borough where the housing market is polarised between multimillion properties for oligarchs and council-run estates, with not much in between,” she told the London Real Estate Forum reception in Berkeley Square.

“My view is that too many times we have not always pushed back enough in requiring affordable homes on-site, have buckled on viability or surrendered to the idea that brutal market economics simply denies housing opportunities for most people and that is just a harsh fact of life,” she said.

Many councils have started accepting cash payments in lieu of developers building affordable housing in recent years.

Westminster council will publish a new statement this week on planning policies to improve housing delivery. That will include an expectation that more affordable

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housing will be built: “We don’t want cheques any more, we want to see housing — we are going to get tough,” said a spokesman.

Westminster is one of the most wealthy boroughs in the capital, let alone the country, and although a quarter of homes there are “social”, only 1 in 60 can be described as “intermediate” in affordability. It has a current 30 per cent

target for new housing to be either “social” or “intermediate”.

“If you are just a speculator who wants to make a fast buck by building properties that only oligarchs and absent overseas investors can afford, you are . . . in the wrong borough,” said Mrs Aiken.

First-time buyers are now typically paying more than 10 times their annual salary on a home. Rents in the private sector have meanwhile surged — jumping 48 per cent since 2007, according to Countrywide, the estate agency.

The acute shortage of affordable housing has become an issue for big business, with companies worried about staff having to commute long distances to work in the capital.

In part the pressure on London is demographic, given its jump in population in recent years.

Westminster council has itself been criticised in recent years for its policy of moving housing waiting lists residents out of the area — sometimes far beyond London. It has a social waiting list of 10,000.

The definition of “affordable housing” has changed over the years, with Boris Johnson altering the definition as London mayor to include rents of up to 80 per cent of the market rate.

Sadiq Khan, who replaced him as mayor, has also sought to encourage more cheap homes to be built by allowing projects with a specific threshold of affordable properties — 35 per cent — to skip the usual, adversarial viability process. That was included in his recently published Supplementary Planning Guidance.

Property developers are likely to be unnerved by a hardening of political rhetoric against the industry.

Dean Clifford, director at Great Marlborough Estates, said he recognised the need for quality low-cost housing. But he urged council leaders to take a “pragmatic approach”, given the fragile economy. “If councils come down hard on developers all this is likely to do is stifle development.”

John Assael, chairman of Assael Architecture, said the solution for the housing crisis could be a more flexible approach to space standards for private homes.

“The inflexibility of these standards is at its most apparent in urban locations, where large swaths of people compete for scarce housing,” he said. “It is nonsensical to ignore the truth that plenty of people are happy to live in smaller spaces in central locations where space is at a premium and where there is an amenity offering.”

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