

London looks to cut affordable housing quotas to boost development

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The Greater London Authority (GLA) is preparing to reduce its affordable housing quotas for developers in a bid to increase housebuilding levels in the capital.



Khan met with Steve Reed last week to discuss the capital's ailing housing numbers

Plans to lower the current requirement for developers to allocate 35% of schemes to affordable housing are being discussed, Property Week understands, with 20% being touted as a possible new threshold.

With London under pressure to boost its housebuilding figures, mayor Sadiq Khan met housing secretary Steve Reed last week.

A spokesperson for Khan said the mayor was “doing everything in his power to deliver more homes of all tenures, taking hard decisions”.

The spokesperson said the inheritance from the previous government had left “national housebuilding on its knees”, with its impact being “acutely felt in London due to rising construction costs, wider economic pressures and delays from the BSR [Building Safety Regulator]”.

Daniel Austin, chief executive and co-founder of ASK Partners, said: “Should the mayor of London decide to reduce the quota to 20%, as widely expected, it would be a welcome move

to improve the economics of development and boost the supply of much-needed affordable homes.”

He said housing development in the capital was “completely paralysed”, with red tape and overbearing regulation “killing the viability” of schemes.

The latest GLA figures show that while government has set the ambitious target of developing 88,000 homes a year in London, as part of its national 1.5-million-new-homes target, only 3,950 homes were finished in the capital in the first half of 2025.

Austin added: “The current 35% affordable housing requirement has proven unworkable; in many cases paying the penalty not to deliver affordable housing is more economic than meeting the 35% allocation.”

Steve Turner, executive director of the Home Builders Federation, said the potential lowering of affordable homes targets was “very welcome”.

He added: “Clearly, 35% feels too high for many sites to support, so by lowering it you’re going to bring more sites into scope.

“We need a more flexible approach to be able to bring more sites forward, but affordable housing levels are not the only issue; there’s huge delays as a result of the BSR, while the London Plan has a number of requirements over and above other areas of the country.”