

By email only

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01 May 2026

Dear Sir/Madam,

RE: London Property Alliance representation to the consultation on consulting the Secretary of State on planning decisions

On behalf of the London Property Alliance (LPA), we welcome the opportunity to respond to the Government's proposals on consulting the Secretary of State where local planning authorities are minded to refuse large-scale, strategic commercial development.

We support the introduction of requirements that will help to ensure that developments of genuine strategic importance are considered appropriately in support of national economic growth, such as **the proposed Secretary of State consultation requirement for large-scale commercial developments where refusal is being contemplated.**

In addition, **we urge the Government to go further and extend the Mayor of London's planning powers in relation to commercial schemes within central London.**

In the CAZ (Central Activities Zone) many smaller and mid-sized commercial developments can be of strategic importance, particularly when considered cumulatively. Given the highly constrained nature of development in central London, **schemes below 15,000 sqm have a vital role to play in sustaining office capacity**, supporting key industries and maintaining London's international competitiveness.

We therefore would also support a move to give the **Mayor of London the power to call in commercial office developments over 5,000 sqm within the CAZ**, mirroring the recently introduced approach for residential schemes. Such powers should apply only where a planning authority is minded to refuse permission, and where there are sound planning reasons to consider London-wide impacts and alignment with the London Plan.

We would welcome the opportunity to engage further with MHCLG and the Greater London Authority to discuss these proposals and their implementation in more detail. In appendix B attached to this letter, we have set out more detailed responses to the relevant questions on the matter (Q1 and Q2).

Yours faithfully,



Charles Begley
Chief Executive, London Property Alliance

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APPENDIX A

About London Property Alliance (LPA)

The LPA is a not-for-profit membership body and advocacy group representing more than 300 leading owners, investors, professional advisers and developers operating in the Cities of London and Westminster through our respective associations, the City Property Association (CPA) and the Westminster Property Association (WPA). Together, we provide a unified voice for the real estate sector across London's Central Activities Zone (CAZ). **A full list of our members for each association can be found [here](#) and [here](#).**

Meeting London's demand for modern offices is critical to the UK's economic and social prosperity

Central London, and particularly the CAZ, is the UK's economic engine, contributing £315 billion in annual economic output (GVA). Our latest [Global Cities Barometer](#) (March 2026) shows that London remains the world's leading destination for foreign direct investment (FDI), with demand for high-quality office space in central London in particular remaining exceptionally strong, with vacancy rates among the lowest of any global city. **It is imperative that London continues to grow, not just for the benefit of the capital, but also because investment in London acts as a gateway to investment, jobs and growth across all of the UK.** For example, according to the ONS (2021), eight of the top investment routes within the UK involved London. For Wales, Scotland and Northern Ireland, over 40% of their inward investment were routed through a London-based parent company.

High-quality commercial office space is fundamental to sustaining productivity and to supporting priority sectors identified in the Government's Modern Industrial Strategy. Furthermore, central London is the most sustainable location for creating employment. For example, CO₂ equivalent emissions per job in the CAZ+ are four times lower than the average for England and Wales as a whole (DESNEZ, 2021).

A deepening shortage of office space in central London, and the quality of existing stock, risks choking the potential of FDI. **Office-based sectors support 2.8 million jobs across Greater London and generate close to £290 billion in economic output each year.** Service sector industries, accommodated and supported by office-led development, account for **81% of UK economic output and 83% of UK employment.** Without a sustained pipeline of high-quality workspace to accommodate growing businesses, London's FDI lead will not translate into the jobs and tax revenues the UK needs.

Our recent research, [Space for Change: Office space dynamics in central London](#), authored by leading property consultancy Knight Frank, expands on this significant and growing challenge. Between 2018 and 2023, **14 million sq ft of office space was lost from the CAZ, despite an anticipated shortfall of 11 million sq ft over the next five years.** Over half of existing CAZ office stock is now classified as secondary, much of which risks falling below mandatory sustainability standards by 2030 and fails to meet the standards expected by leading businesses. Whilst the refurbishment and upgrading of secondary stock is essential, and would unlock substantial productivity gains, it will not, on its own, meet demand for Prime and Grade A office space. New, purpose-built commercial development is also required, particularly given the persistent strength of occupier demand.

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APPENDIX B– LONDON PROPERTY ALLIANCE DETAILED RESPONSE

Question 1: Do you agree with this proposed consultation requirement for applications for large-scale, strategic commercial development where an LPA is minded to refuse?

Secretary of State consultation requirement

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Yes, the London Property Alliance supports the proposed consultation requirement for applications for large-scale, strategic commercial development where a local planning authority is minded to refuse. We also strongly support the intention behind the proposals i.e. to ensure that large scale, strategic developments are considered for potential call-in, in order to reflect the Government’s priority of promoting economic growth.

Our recent research, [Space for Change: Office Space Dynamics in Central London](#) (December 2025, authored by Knight Frank), highlights that between 2018 and 2023, 14 million sq ft of office space was lost in London’s Central Activities Zone (CAZ) – an area roughly equivalent to zone 1. This is despite an anticipated 11 million sq ft shortfall of office space in the capital over the next five years. Meanwhile, the analysis shows that 56.4% of office space in the CAZ, spanning 147.1 million sq ft, is classed as ‘secondary’, offering poor quality workspace that is set to fall below mandatory sustainability standards by 2030. This challenge is most visible in central London’s most economically productive areas – the West End, Midtown, the City and the City Fringe. Good quality office accommodation is essential to priority sectors identified in the Government’s Modern Industrial Strategy, including professional and financial services, and the creative industries.

Being able to upgrade secondary office space to Prime or Grade A workspace could unlock £83.6bn of productivity gains (GVA). Opportunities to upgrade secondary office space where possible should absolutely be taken.

However, upgrading secondary stock alone will not suffice to meet the demand for Prime and Grade A office space required to facilitate economic growth, the need for which is particularly acute in the CAZ. Positively, demand from occupiers seeking workspace remains high in central London, particularly for best-in-class space. Our latest [Global Cities Barometer](#) (March 2026) shows that London remains the world’s leading destination for FDI, with demand for high-quality office space in central London remaining exceptionally strong, with vacancy rates among the lowest of any global city. However, **this demand cannot be converted into economic growth for the country if it cannot be physically realised through the construction and provision of new offices.** As demonstrated through our recent research, **there is a significant challenge in central London in that the deepening shortage of office stock and the quality of existing stock risks threatening the potential of FDI and business growth, driving potential occupiers to relocate outside of the UK.**

The CAZ is the UK’s economic engine, **contributing £315bn in annual economic output (GVA), with the City and Westminster comprising over £200bn of this total.** High-quality offices are the engine rooms where much of this economic activity happens. Specifically, office-based sectors **support 2.8 million jobs across Greater London and generate close to £290 billion in GVA each year.** Ensuring the replenishment and renewal of secondary office stock is essential to maintaining central London’s competitiveness and vibrancy **as well as** providing new, purpose-built commercial office spaces. This is important not only for London, **but also for the rest of the country given the economic output of the capital and the role it plays as a gateway for investment in the rest of the UK.** For example, 12% of FDI in the rest of the UK was made after a first investment in London. Notwithstanding this urgency to deliver an improved and increased supply of office stock, there has been a marked slowdown in

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major planning applications for office and commercial floorspace within central London. Indeed, analysis by Arup shows that there has been a **54% fall in major office planning applications** being determined across central London over the past decade.¹

We therefore consider it necessary for there to be a route for Government intervention if necessary (i.e. where a local planning authority is minded to refuse) to better enable the delivery of London's critical economic infrastructure.

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Mayor of London Call-In powers

In addition to the new consultation requirement, we urge that the Government provides the Mayor of London with additional powers to determine smaller commercial planning applications, where local planning authorities are minded to refuse planning permission. This would help to address the decline of office space in the UK's most economically productive district.

We are aware that legislation² has recently been laid and will come into force shortly which will widen the Mayor's planning powers in respect of residential planning applications.

Currently, under the Mayor of London Order³, commercial schemes within the CAZ may only be designated as planning applications of Potential Strategic Importance (PSI) and therefore potentially determined by the Mayor under a limited set of circumstances, including:

1. Where the floorspace exceeds 100,000 sqm (within the City of London) and 20,000 sqm (within central London) (Category 1B);
2. Where the height of the building exceeds 25m adjacent to the river Thames, 150m in the City of London, and 30m outside of the City of London (Categories 1C and 1D);
3. Where the development does not accord with the development plan and comprises more than 2,500 sqm commercial floorspace (Category 3E).

In central London, particularly within the CAZ, often smaller commercial schemes can be of strategic importance – for example where they facilitate the location of head office functions - and cumulatively can help to grow London's Grade A office capacity. Even mid-size and smaller buildings can still support critical industries and key identified sectors.

As noted above, active demand for Prime and Grade A office space within London, particularly central London remains high. Opportunities for new office space, both via the refurbishment of existing secondary stock and the provision of new, purpose-built space are very limited. Excellent office accommodation is essential to the character and function of central London and supports London as a location for headquarters of national and international companies, institutions and organisations, all of which contribute to the agglomeration benefits of central London. Research by Centre for London (2019) found that between two and four jobs are generated for every HQ job created. This in turn cements London, and the UK, as a gateway location for investment.

Sustaining a supply of good quality accommodation, attractive to these users, is essential to supporting London's economic vitality and strategic role. Given the potential economic benefits to the country, it is imperative that all credible and sustainable opportunities to deliver commercial space to meet demand are taken. Given the constrained nature of development in London, these

¹ ***Good Growth in Central London***, London Property Alliance/Arup, 2024.

² The Town and Country Planning (Mayor of London) (Amendment and Transitional Provision) Order 2026

³ The Town and Country Planning (Mayor of London) Order 2008

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opportunities may well be smaller than 15,000m², but nonetheless are important for London's economy and the national economy.

In the context of the reduction in office space identified, where local planning authorities may be minded to refuse such opportunities, we consider that it is important for the Mayor to have oversight and consider the impacts of such a refusal on a London-wide basis.

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So as to not over-burden local planning authorities or the Mayor, we suggest that this be on a similar basis to the changes recently brought forward for the residential applications of 150 units+, namely:

1. That the call-in power would exist for commercial office schemes of over 5,000 sqm in central London; and
2. That the call-in power would exist only where a planning authority is minded to refuse an application; and
3. That the Mayor would only be able to call-in applications if she/he considered that the development (or any of the issues raised by it) would have an impact on the implementation of the spatial development strategy (the London Plan), and there are sound planning reasons for the intervention.

Question 2: Do you consider the proposed area threshold of 15,000m² or more to be appropriate?

We agree with the area threshold of 15,000m² subject to the Government and the Mayor of London progressing with additional powers for the Mayor to call-in smaller commercial applications within central London where the local planning authority is minded to refuse.