

Mayor's loan secures over 600 affordable homes on former Holloway prison

08 March 2019

- **Loan of £42 million from Mayor's Land Fund enables Peabody housing association to buy former Holloway prison site.**
- **Deal requires 60 per cent of over 1,000 homes on the site to be social rented and genuinely affordable.**
- **Planning requirements also include public green space and Centre for women.**

The Mayor of London, Sadiq Khan, today announced a landmark deal to secure more than 600 social rented and other genuinely affordable homes on the former Holloway Prison site following its sale by the Ministry of Justice.

The deal, which involves a £42 million loan from the Mayor's Land Fund, has enabled Peabody housing association to buy the site. It requires Peabody, working in partnership with private developer London Square, to start work by 2022 on over 1,000 homes, of which at least 60 per cent must be social rented and other genuinely affordable homes.

City Hall worked with Islington Council on the planning policy for the site, which set a minimum expectation of 50 per cent affordable housing. The Mayor's loan deal requires this to rise to 60 per cent, and of these affordable homes, 70 per cent will be social rent, with the remainder either shared ownership or London Living Rent.

Making the announcement today from a rooftop overlooking the prison site, which closed in 2016, the Mayor of London, Sadiq Khan, said: "For too long, Londoners have rightly been fed up of seeing public land sold off to the highest bidder and then developed with little or no social or affordable housing. We have made sure the Holloway prison site will be different.

"Our ground-breaking loan to Peabody means the majority of new homes on this site will be genuinely affordable – with around four in 10 of all new homes being for social rent. We've developed planning policies with the council that support this, and that also

set out how the development should include public green space and a new centre for women.

“This shows what is possible on public land. We’ve been able to do this even with the limited powers we currently have. Ministers now need to play their part and give us the step-change in investment and powers over land we need to truly fix London’s housing crisis.”

Homes on the site will start by 2022, with the aim of completing by 2026. The project builds on the work Sadiq is already doing with housing associations including Peabody, last year starting a record number of social rented and other genuinely affordable homes and remaining on track to deliver his ambition of starting 116,000 genuinely affordable homes by 2022.

Brendan Sarsfield, Chief Executive of Peabody, said: “We are committed to working with LB Islington and the GLA to deliver an exceptional new housing scheme on this historic site. We are pleased to confirm we will deliver 60 per cent level of genuinely-affordable homes integrating existing Islington communities with a new Peabody estate. As well as providing new homes we will also ensure social infrastructure and placemaking are at the heart of our proposals.”

Rebecca Littler, board director of London Square, said: “The Holloway Prison site will deliver a large-scale attractive, fully integrated new community with social infrastructure and placemaking at its heart. We are honoured to be working with the GLA, Peabody and Islington to deliver this important new scheme for the capital.”

The Mayor has already been working alongside councils, including Islington, through Building Council Homes for Londoners – the first ever City Hall programme dedicated to council homebuilding. This programme will invest £1 billion in 11,000 council homes for social rent over the next four years, and 3,000 other genuinely affordable rented and shared ownership homes. Islington received £24.2 million through the programme, to deliver 465 social rented council homes.

Jennette Arnold OBE AM, London Assembly Member for North East (covering Hackney, Islington, and Waltham Forest), said: “This is a fantastic deal that will secure much needed affordable housing for local people.

“When it comes to addressing the ever-growing demand for housing in London it is the Mayor of London, and partners like Islington Council, who are leading the way. “With the majority of homes on this site genuinely affordable, this is a deal which serves the local community and I hope it sets the bar for future developments on public land.”

The Mayor set up his Land Fund, comprising £250 million of City Hall investment

alongside nearly £500 million secured from the Government, to bring land forward for housing development more quickly and ensure at least 50 per cent affordable housing on public land sites. The money recovered from Land Fund investments will be recycled to bring forward more land to build homes and unlock further opportunities across the capital.

Notes to editors

- Under the terms of the agreement between GLA and Peabody the Housing association is required to repay the £41.6 million loan in full.
- More detailed plans around the women's centre will be developed as the planning process progresses.
- Peabody has been creating opportunities for Londoners since 1862, when it was established by the American banker and philanthropist, George Peabody. In July 2017, Peabody and Family Mosaic merged to create a new Peabody, more than doubling its capacity to provide new homes and services in London and the South-East. The organisation owns and manages more than 56,000 homes, providing affordable housing for around 111,000 people. As well as bricks and mortar, Peabody provides a wide range of community programmes in their neighbourhoods, including help with employment and training, health and wellbeing projects, family support programmes and a dedicated care and support service.
- The Peabody Community Foundation will invest more than £90 million supporting communities over the next 10 years. This year, it invested more than £7.3 million in programmes, helping 1,123 people into work and delivering over 58,000 hours of free-to-access community activities. Peabody also runs a comprehensive programme of socio-economic investment in supporting residents into enterprise, employment, education and skills.www.peabody.org.uk.