

1<sup>st</sup> March 2018

Sadiq Khan  
Mayor of London  
New London Plan  
GLA City Hall  
London Plan Team  
Post Point 18  
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London  
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Dear Mayor

**Representations by Downing**  
**The draft London Plan for Public Consultation December 2017 – Feb 2018**

These representations have been prepared by Downing regarding the draft London Plan consultation.

Whilst Downing supports the Mayor in his vision of encouraging Good Growth across London we have very significant concerns regarding Policy H17 and the implications of requiring 35% of the student accommodation provided by Direct Let operators and London Universities to be affordable. The unintended consequence of this policy will be a reduction in the number of student housing units coming forward. This reduction in turn will harm London's role as a global centre of education excellence and will lead to UK and overseas students choosing to study at other UK cities or other countries. In addition, as student housing counts towards the Mayor's housing target it will make achieving this ambitious target more difficult.

**Downing**

Downing have a long and successful track record in delivering and managing medium and large-scale student accommodation and mixed-use buildings having built and managed over 10,000 student bedrooms across the UK. With previous student residential schemes completed in Manchester, Sheffield, Leicester, Newcastle, Liverpool, Cambridge, Edinburgh, Glasgow, Coventry and Leeds we have shown our commitment to design led quality schemes. Indeed, our student development at Broadcasting Place in Leeds was the winner of the Best Tall Building in the World at the 2010 Council on Tall Buildings and Urban Habitat Awards and the Best Mixed-Use Building at the 2010 Emirates Glass LEAF Awards.

Within London, Downing are delivering in excess of 2,500 beds on sites in Ealing and Lambeth. These sites include affordable bed spaces, significant contributions to CIL as well as on site publicly accessible facilities including a swimming pool, a multi-use games area (MUGA), sports facilities and employment and retail floorspace.

**Policy H17 Purpose-built student accommodation**

Policy H17 states:

*A Boroughs should seek to ensure that local and strategic need for purpose-built student accommodation is addressed, provided that:*

- 1) at the neighbourhood level, the development contributes to a mixed and inclusive neighbourhood*
- 2) the use of the accommodation is secured for students*
- 3) the accommodation is secured for occupation by members of one or more specified higher*

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*education institutions*

*4) at least 35 per cent of the accommodation is secured as affordable student accommodation as defined through the London Plan and associated guidance*

*5) the accommodation provides adequate functional living space and layout.*

*B Boroughs student accommodation providers and higher education institutions are encouraged to develop student accommodation in locations well-connected to local services by walking, cycling and public transport, but away from existing concentrations in central London as part of mixed-use regeneration and redevelopment schemes.*

The general support for student homes is welcomed. The capital is home to a number of internationally recognized universities, Downing work with these institutions and the majority of our bed spaces are nominated to specific Universities. Higher Education Institutions are vital to London's success as a global city, providing a skilled resource which in turn attracts investment from companies into the capital.

Furthermore, the provision of student housing contributes to the housing provision in the capital. Paragraph 4.17.1 of the draft London Plan is specific in this regard stating;

*"The completion of new PBSA (Purpose Built Student Accommodation) therefore contributes to meeting London's overall housing need and is not in addition to this need. Every three student bedrooms in PBSA that are completed equate to meeting the same need that one conventional housing unit meets, and contribute to meeting a borough's housing target".*

Downing have particular concern with Paragraph A.4 of Policy H17 and the impact that will have on the opportunities to provide accommodation for the many thousands of our students that enrol in London each year. Downing recognises that a significant proportion of students can find accommodation in existing halls, however established marketing data identifies that there are not enough spaces for demand and students are required to seek private rented accommodation. Such accommodation is expensive, often poor quality and can, unfortunately in some circumstances, place younger people at risk. Purpose Built Student Accommodation (PBSA) provides students with safe and cost-effective choices of where to stay and is therefore important to support the student population within the capital. The benefit of purpose-built student accommodation freeing up existing housing stock should also be recognized. Students unable to reside in purpose-built halls will rent in the open market often sharing large family homes. Given a landlord can attract more students into such properties; they can charge more, pricing local families out of the residential housing market.

Paragraph A.4 seeks provision of 35% of accommodation as affordable student accommodation. Currently the Mayor considers affordable student accommodation to be £158/week based on a 38 week academic term. The figure of £158/week represents a blanket pan London figure for the provision of student housing and does not take into account the considerable variation of developing schemes and the types of accommodation that the market demands.

Paragraph 4.17.6 also states:

*In addition, the Mayor seeks the development of student accommodation which is affordable for the student body as a whole. Providers of PBSA are encouraged to develop models for delivery of PBSA in London which minimise rental costs for the majority of the bedrooms in the development and bring these rates nearer to the rate of affordable student accommodation.*



It is therefore the Mayor's intention to provide both a defined affordable provision of student accommodation (tied by legal agreement) and to make the remaining accommodation within a development as affordable as possible.

Schemes which Downing deliver provide students with a range of accommodation options and different price points. Whilst Downing supports the principle of ensuring the provision of affordable student accommodation, the figure of £158/week does not reflect a realistic threshold for the provision of student homes in central London. The suggestion that beds can be let over the summer months to other uses is unrealistic in most cases given the cost of converting/ managing a hotel operation for 3 months is disproportionate to the income this would generate. In addition, planning conditions restrict letting of the accommodation to students in full time education, thereby restricting the potential to let to other forms of occupier during the summer period.

Downing deliver schemes that are generally within walking distance of Universities or at most no more than 40 minutes travel from the educational institutions. As such, sites are often within the CAZ, or in higher PTAL locations where higher land values make development less viable to deliver and where student housing is competing with other higher value/ return uses for sites.

It is therefore not equitable that a pan London figure of £158/week applies to areas in outer zones also applies to inner zone sites. The unintended consequence of this policy is PBSA sites will be located in less accessible locations or sites further out of Central London; this will mean that students have to pay substantial travel costs. This can have a major impact on a student's budget and can add to the already stretched finances most students incur coming to university in London. As noted in Part B of Policy H17 we are being encouraged to develop accommodation in sustainable and accessible locations. However, we can only do so if it is viable.

Ensuring there are affordable options for students in accommodation choices is commendable, but to apply a set tariff across London will have a major impact on the ability to deliver the quantum of student accommodation the Universities demand and meet the substantial social and physical infrastructure which is also demanded from PBSA schemes.

We consider that Policy H17 should reflect the need for a differential approach across London with differing affordability rates set for the CAZ and inner and outer London (as defined in London Plan).

## **CIL**

Student housing attracts considerable CIL payments. In recent years boroughs have adopted CIL and approved charging schedules. All these CIL schedules have been considered on the basis that student schemes do not deliver affordable housing and as such can afford to support the CIL contributions for local infrastructure or local CIL 123 lists. As the emerging affordable student beds model does not meet the tests of affordable housing, nor will be let by a registered provider, then no CIL relief is capable of being applied to the discounted beds within a scheme.

The GLA have suggested that Boroughs should consider applying CIL relief to affordable student housing, however until such time that Boroughs are able to or inclined to do this, there will be significant conflict with the requirement within the London Plan to deliver 35% affordable bed spaces at the level of £158 per week.



As part of their schemes in London, Downing have been asked by Boroughs to deliver a variety of social infrastructure, including swimming pools, leisure facilities, gyms and multi-use games area (MUGA), and to also provide significant CIL contributions to support local infrastructure improvements to local parks etc. The basis for these requests is to ensure that student schemes do not place excessive pressure on existing facilities and to provide a long-term contribution to the areas, which offsets the inability for the transient student population to set down roots. However, if CIL is applied in accordance with the CIL Regulations (without change) and the GLA insist on 35% affordable housing, the opportunities to deliver the social improvements and infrastructure will be threatened.

Whilst it is acknowledged that London is in need of delivering substantial new housing, it must also be recognised by the GLA that social and physical infrastructure has to be in place to support this growth. This not only includes schools, doctors' surgeries, etc, it also applies to sports and leisure facilities. Student housing currently through CIL and on-site facilities support and help deliver these important elements of a mixed and collaborative community.

To impose affordable rents without looking at the bigger picture on what student housing schemes actually deliver to local communities undermines the potential of student housing schemes which can deliver long term benefits for an area. This opportunity will be lost if the priority for Policy H17 is to provide discounted bed spaces.

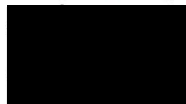
### **Concluding Comments**

Downing supports the Mayor in his ambition and his objectives to develop good growth and that the benefits of growth are inclusive to all Londoners. We also welcome his support for higher education and the associated student housing. We share his belief that higher education institutions make a significant contribution to the economy and labour market in London.

We are concerned that the Draft London Plan will impact on the delivery of student homes and the location of where student homes will be delivered by a blanket approach to a pan London affordability figure and the ability for student housing schemes to deliver the social infrastructure and CIL contributions currently expected from such schemes.

We would welcome a meeting with you, the Deputy Mayor and your officers to better explain the unintended impacts that Policy H17 will have on delivering quality, integrative and locally beneficial student housing projects.

Yours sincerely



**Ian Harrison**  
**Director**  
**Downing**