

### A consultation submission to the Greater London Authority

2<sup>nd</sup> March 2018

# About First Base

First Base is an influential developer and investor delivering innovatively-designed buildings and places that are adaptable to the changing needs of businesses and communities.

We have delivered on a mixed use portfolio of projects, ranging from residential through retail, leisure, culture and workspace, always including place-making and sustainability at their core.

Our projects have been delivered in conjunction with leading architects, including Rogers Stirk Harbour + Partners, Make, Allford Hall Monaghan Morris and Glenn Howells.

First Base's best-known projects are:

- **Silvertown**, where First Base is leading a consortium developing a 62-acre mixed use development in London's Royal Dock. With a GDV of £3.5bn, Silvertown includes 5 million square feet of commercial and brand space and 3,000 new homes.
- Adelaide Wharf, a mixed use development in Shoreditch with 147 homes and collaborative workspace which regenerated a disused industrial site and supported numerous businesses to thrive.
- **East Village**, Stratford, where First Base is managing a £300 million portfolio of homes that is a key element of the 2012 Olympic Legacy.

First Base was founded in 2002, is privately owned by its directors, and is based in Central London.

### Summary response to the consultation

First Base welcomes the publication of the Mayor's draft new London Plan and the opportunity to comment upon it. We believe that if offers a more ambitious approach to both strategic planning and delivery within London.

Specifically we broadly welcome the aim of the Plan to deliver upon the principles of good growth, which seek to make the most effective use of London's scarcest resources – land – as well as delivering the homes and workspaces that the capital needs to support a growing and diversifying economy.



Overall we particularly support the principles to accommodate good growth in London through high quality design, optimising density, delivering high quality public realm, protecting existing cultural venues and prioritising creative mixed use developments.

However, we do believe that the Plan does contain some policies which are need of further consideration and modification to better enable the envisaged growth levels of both residential and commercial provision contained within the Plan to be delivered.

In order to focus our submission we do not intend to comment in detail on each and every chapter of the Plan, but have sought to focus on the three specific areas outlined below.

## Delivery and viability of proposed housing growth

Whilst we welcome the intent to increase the delivery of new homes across London within the period of the Plan, we are concerned about the cumulative impact of the proposed policies on development viability. Policies which, we believe will make development within the capital more challenging to deliver, as landowners will be less inclined to release land to the market and developer less incentivised to actually deliver the development as opposed to simply trading a planning consent.

Whilst it is undoubtedly not the intent of the Mayor, through the Plan, to disincentivise development, we believe that more flexibility should be inherent within the various policies so that they may be more pragmatically applied by both the boroughs and GLA through the planning decisions process.

### Delivering 35% affordable housing and viability

Whilst we recognise, and indeed support, the need to deliver more affordable housing across London in order to address the growing affordability challenge faced by many Londoners, we strongly question the appropriateness, and effectiveness, of essentially having a one size fits all approach to the affordability threshold first outlined the Mayor of London's Affordable Housing SPG, and now confirmed through intended policy within the draft Plan.

Given the great disparity between the London Boroughs, especially within the inner and outer London boroughs with regards to sale/rental and relative land values, First Base believes that the 35% threshold will be more difficult to achieve in some areas than others.

As such, the Plan should give more recognition that being able to meet the 35% target will greatly depend upon local market conditions, land values, local infrastructure requirements, and the individual borough's specific tenure requirements

This is especially the case in seeking to impose policies relating to viability which may reflect the ability of inner London markets to deliver, yet lack the flexibility to effectively adapt to the very different conditions faced within outer London markets. In essence the rigid approach and implementation of the threshold figure, irrespective of circumstance, is unlikely to



encourage housing growth to come forward at the numbers envisaged within the Plan across the outer boroughs (which have now expected to accommodate the bulk of the growth), especially where 35% provision has never historically been achieved without significant public subsidy.

In order to counter this, we would propose exploring the adoption of a more flexible threshold regime. One which offers a range of thresholds derived from a formula based on location/sales/ rental/land value in much the same way as how Mayoral CIL is calculated - that is to say different rates for different boroughs. This is especially true as there is little to no evidence to support the 35% requirement, nor any justification as to why market evidence (as identified by the NPPF) has been ignored.

### Build to Rent

The Build to Rent (BTR) sector has an important role in seeking to deliver additional supply within London and we are pleased to see the Mayor, through this draft Plan, produce specific policies to support BTR developments and the Mayor's commitment to the sector in general.

First Base support the ambition to encourage more institutional investment within the sector contained within the Plan and the predecessor SPG, and particularly welcome the fact that the affordable housing component can be set at discount market rent.

However, we are <u>firmly of the view that applicants and LPAs should have the freedom and</u> <u>flexibility to determine the most appropriate rental mix in order to support the viability of</u> <u>scheme on a site by site basis</u>. This is especially the case in outer London, where we have already stated concerns over the universal adoption of the affordable housing threshold, as well as the fact that this is a new market, with relatively few BTR schemes so data is not robust enough to justify a percentage.

Also, we would also wish to promote a flexibility of approach as regards the interpretation of planning policy to support BTR, especially with respect to:

- Higher density development
- Unit mix and space standards
- Innovation in design, especially with regard to Modern Methods of Construction (MMC)

These must be considered, whilst keeping the main focus on delivering a quality product irrespective on tenure type.

### Minimum space standards within residential development

Whilst we recognise the drivers behind the desire to see a uniform series of space standards applied across London, we again believe that there <u>should be a greater flexibility of</u> <u>approach as regards the setting of space standards</u>, especially within in the context of large-scale purpose-built shared living accommodation and the BTR.



Of course, this is not to suggest that we wish to see an erosion of those standards, we are of the view that London can only meet the challenge of delivering significantly enhanced and sustained housing growth by allowing applicants, in conjunction with LPAs, to be able to provide greater choice for the growing and diverse London population. By providing homes at a range of sizes that are targeted at a broad range of income levels, we can help to deliver a more deliver more balanced community and offer more choice. It also allows developers to maximise delivery on a site by site basis and positively contribute to addressing the housing crisis.

# Densification

Whilst First Base broadly supports the removal of the density matrix, we believe that the Plan's policies, as currently drafted, do not provide any detail on how the mayor will intervene in the plan-making and decision-taking process to ensure that LPA policies and guidance deliver the level of growth the capital needs.

In this respect, we believe that Policies D2 and D6 do not contain enough safeguards to ensure that LPAs do not set too conservatively low densities.

### Consideration of the impact of sunlight/daylight guidance

As mentioned we support the principle of encouraging greater densification, especially in outer London town centres and around transport hubs, however, we are <u>concerned that one</u> of the greatest impediments to delivering significantly increased density in an urban environment, sunlight/daylight impact, is not referenced to any extent within the draft Plan.

In fact the issue is only referenced within this context in section 3.4.10 – *increasing ceiling heights and having bay windows can optimise daylight and sunlight and allow buildings to be closer together than can otherwise be achieved* and in section 4.2.8 – *environmental and architectural innovation should be supported and schemes should achieve good design and ensure that existing and proposed.* 

Whilst in part significant change in this area is determined by national policy, we are of the view that in order to achieve the densification proposed, the Plan should seek to reconsider the sunlight/daylight standards/guidance that the boroughs, as LPAs, are applying to schemes, with particular focus on urban locations. We would like to point to the recent appeal decision by the Planning Inspectorate Ref: APP/E5900/W/17/3171437.

Nor does the Plan seek to encourage LPAs to use their powers under section 203 of the Housing and Planning Act 2016 (which replaced S237 TCPA 1990) to override easements and rights in land appropriated for planning purposes. In fact the use of Compulsory

Purchases Powers to bring forward housing delivery receives relatively little reference, save for 11.1.23.

As such, we would strongly favour seeing a relaxation of the implementation of sunlight/daylight guidance standards by local authorities, as well as greater clarification



around the circumstances in which the Mayor will use his powers to intervene in land assembly.

For example encouraging LPAs to follow the example of the London Borough of Hammersmith & Fulham when it approved, earlier this year, the acquisition of the leasehold interest in the relevant land at Stamford Bridge Grounds for planning purposes, pursuant to Section 227 of the Town & Country Planning Act 1990, in order to engage Section 203 of the Housing & Planning Act 2016.

# **First Base Limited comments**

Page: Policy D6 Optimising housing density

Section: <u>N/A</u>

Whilst First Base broadly supports the removal of the density matrix, we believe that the Plan's policies, as currently drafted, do not provide any detail on how the mayor will intervene in the plan-making and decision-taking process to ensure that LPA policies and guidance deliver the level of growth the capital needs.

In this respect, we believe that Policies D2 and D6 do not contain enough safeguards to ensure that LPAs do not set too conservatively low densities.

### Consideration of the impact of sunlight/daylight guidance

As mentioned we support the principle of encouraging greater densification, especially in outer London town centres and around transport hubs, however, we are <u>concerned that one of the greatest impediments to delivering significantly increased density in an urban environment,</u> sunlight/daylight impact, is not referenced to any extent within the draft Plan.

In fact the issue is only referenced within this context in section 3.4.10 – *increasing ceiling heights and having bay windows can optimise daylight and sunlight and allow buildings to be closer together than can otherwise be achieved* and in section 4.2.8 – *environmental and architectural innovation should be supported and schemes should achieve good design and ensure that existing and proposed.* 

Whilst in part significant change in this area is determined by national policy, we are of the view that in order to achieve the densification proposed, the Plan should seek to reconsider the sunlight/daylight standards/guidance that the boroughs, as LPAs, are applying to schemes, with particular focus on urban locations. We would like to point to the recent appeal decision by the Planning Inspectorate Ref: APP/E5900/W/17/3171437.

Nor does the Plan seek to encourage LPAs to use their powers under section 203 of the Housing and Planning Act 2016 (which replaced S237 TCPA 1990) to override easements and rights in land appropriated for planning purposes. In fact the use of Compulsory Purchases Powers to bring forward housing delivery receives relatively little reference, save for 11.1.23.

As such, we would strongly favour seeing a relaxation of the implementation of sunlight/daylight guidance standards by local authorities, as well as greater clarification around the circumstances in which the Mayor will use his powers to intervene in land assembly.

For example encouraging LPAs to follow the example of the London Borough of Hammersmith & Fulham when it approved, earlier this year, the acquisition of the leasehold interest in the relevant land at Stamford Bridge Grounds for planning purposes, pursuant to Section 227 of the Town & Country Planning Act 1990, in order to engage Section 203 of the Housing & Planning Act 2016.

# Page:Policy H6 Threshold approach to applicationsSection:N/A

Whilst we welcome the intent to increase the delivery of new homes across London within the period of the Plan, we are concerned about the cumulative impact of the proposed policies on development viability. Policies which, we believe will make development within the capital more challenging to deliver, as landowners will be less inclined to release land to the market and developer less incentivised to actually deliver the development as opposed to simply trading a planning consent.

Whilst it is undoubtedly not the intent of the Mayor, through the Plan, to disincentivise development, we believe that more flexibility should be inherent within the various policies so that they may be more pragmatically applied by both the boroughs and GLA through the planning decisions process.

### Delivering 35% affordable housing and viability

Whilst we recognise, and indeed support, the need to deliver more affordable housing across London in order to address the growing affordability challenge faced by many Londoners, we strongly question the appropriateness, and effectiveness, of essentially having a one size fits all approach to the affordability threshold first outlined the Mayor of London's Affordable Housing SPG, and now confirmed through intended policy within the draft Plan.

Given the great disparity between the London Boroughs, especially within the inner and outer London boroughs with regards to sale/rental and relative land values, First Base believes that the 35% threshold will be more difficult to achieve in some areas than others.

As such, the Plan should give more recognition that being able to meet the 35% target will greatly depend upon local market conditions, land values, local infrastructure requirements, and the individual borough's specific tenure requirements

This is especially the case in seeking to impose policies relating to viability which may reflect the ability of inner London markets to deliver, yet lack the flexibility to effectively adapt to the very different conditions faced within outer London markets. In essence the rigid approach and implementation of the threshold figure, irrespective of circumstance, is unlikely to encourage housing growth to come forward at the numbers envisaged within the Plan across the outer boroughs (which have now expected to accommodate the bulk of the growth), especially where 35% provision has never historically been achieved without significant public subsidy.

In order to counter this, we would propose exploring the adoption of a more flexible threshold regime. One which offers a range of thresholds derived from a formula based on location/sales/ rental/land value in much the same way as how Mayoral CIL is calculated - that is to say different rates for different boroughs. This is especially true as there is little to no evidence to support the 35% requirement, nor any justification as to why market evidence (as identified by the NPPF) has been ignored.

### Page: Policy H6 Threshold approach to applications Section: N/A

Whilst we welcome the intent to increase the delivery of new homes across London within the period of the Plan, we are concerned about the cumulative impact of the proposed policies on development viability. Policies which, we believe will make development within the capital more challenging to deliver, as landowners will be less inclined to release land to the market and developer less incentivised to actually deliver the development as opposed to simply trading a planning consent.

Whilst it is undoubtedly not the intent of the Mayor, through the Plan, to disincentivise development, we believe that more flexibility should be inherent within the various policies so that they may be more pragmatically applied by both the boroughs and GLA through the planning decisions process.

### Delivering 35% affordable housing and viability

Whilst we recognise, and indeed support, the need to deliver more affordable housing across London in order to address the growing affordability challenge faced by many Londoners, we strongly question the appropriateness, and effectiveness, of essentially having a one size fits all approach to the affordability threshold first outlined the Mayor of London's Affordable Housing SPG, and now confirmed through intended policy within the draft Plan.

Given the great disparity between the London Boroughs, especially within the inner and outer London boroughs with regards to sale/rental and relative land values, First Base believes that the 35% threshold will be more difficult to achieve in some areas than others.

As such, the Plan should give more recognition that being able to meet the 35% target will greatly depend upon local market conditions, land values, local infrastructure requirements, and the individual borough's specific tenure requirements

This is especially the case in seeking to impose policies relating to viability which may reflect the ability of inner London markets to deliver, yet lack the flexibility to effectively adapt to the very different conditions faced within outer London markets. In essence the rigid approach and implementation of the threshold figure, irrespective of circumstance, is unlikely to encourage housing growth to come forward at the numbers envisaged within the Plan across the outer boroughs (which have now expected to accommodate the bulk of the growth), especially where 35% provision has never historically been achieved without significant public subsidy.

In order to counter this, we would propose exploring the adoption of a more flexible threshold regime. One which offers a range of thresholds derived from a formula based on location/sales/ rental/land value in much the same way as how Mayoral CIL is calculated - that is to say different rates for different boroughs. This is especially true as there is little to no evidence to support the 35% requirement, nor any justification as to why market evidence (as identified by the NPPF) has been ignored.

Page: Policy H13 Build to Rent

Section: <u>N/A</u>

The Build to Rent (BTR) sector has an important role in seeking to deliver additional supply within London and we are pleased to see the Mayor, through this draft Plan, produce specific policies to support BTR developments and the Mayor's commitment to the sector in general.

First Base support the ambition to encourage more institutional investment within the sector contained within the Plan and the predecessor SPG, and particularly welcome the fact that the affordable housing component can be set at discount market rent.

However, we are <u>firmly of the view that applicants and LPAs should have the freedom and flexibility to determine the most appropriate rental</u> <u>mix in order to support the viability of scheme on a site by site basis</u>. This is especially the case in outer London, where we have already stated concerns over the universal adoption of the affordable housing threshold, as well as the fact that this is a new market, with relatively few BTR schemes so data is not robust enough to justify a percentage. Also, we would also wish to promote a flexibility of approach as regards the interpretation of planning policy to support BTR, especially with respect to:

- Higher density development
- Unit mix and space standards
- Innovation in design, especially with regard to Modern Methods of Construction (MMC)

These must be considered, whilst keeping the main focus on delivering a quality product irrespective on tenure type.

### Minimum space standards within residential development

Whilst we recognise the drivers behind the desire to see a uniform series of space standards applied across London, we again believe that there should be a greater flexibility of approach as regards the setting of space standards, especially within in the context of large-scale purpose-built shared living accommodation and the BTR.

Of course, this is not to suggest that we wish to see an erosion of those standards, we are of the view that London can only meet the challenge of delivering significantly enhanced and sustained housing growth by allowing applicants, in conjunction with LPAs, to be able to provide greater choice for the growing and diverse London population. By providing homes at a range of sizes that are targeted at a broad range of income levels, we can help to deliver a more deliver more balanced community and offer more choice. It also allows developers to maximise delivery on a site by site basis and positively contribute to addressing the housing crisis.

Page:	Policy H18 Large-scale purpose-built shared living
Section	<u>N/A</u>

### **Build to Rent**

The Build to Rent (BTR) sector has an important role in seeking to deliver additional supply within London and we are pleased to see the Mayor, through this draft Plan, produce specific policies to support BTR developments and the Mayor's commitment to the sector in general.

First Base support the ambition to encourage more institutional investment within the sector contained within the Plan and the predecessor SPG, and particularly welcome the fact that the affordable housing component can be set at discount market rent.

However, we are <u>firmly of the view that applicants and LPAs should have the freedom and flexibility to determine the most appropriate rental</u> <u>mix in order to support the viability of scheme on a site by site basis</u>. This is especially the case in outer London, where we have already stated concerns over the universal adoption of the affordable housing threshold, as well as the fact that this is a new market, with relatively few BTR schemes so data is not robust enough to justify a percentage.

Also, we would also wish to promote a flexibility of approach as regards the interpretation of planning policy to support BTR, especially with respect to:

- Higher density development
- Unit mix and space standards
- Innovation in design, especially with regard to Modern Methods of Construction (MMC)

These must be considered, whilst keeping the main focus on delivering a quality product irrespective on tenure type.

Minimum space standards within residential development

Whilst we recognise the drivers behind the desire to see a uniform series of space standards applied across London, we again believe that there should be a greater flexibility of approach as regards the setting of space standards, especially within in the context of large-scale purpose-built shared living accommodation and the BTR.

Of course, this is not to suggest that we wish to see an erosion of those standards, we are of the view that London can only meet the challenge of delivering significantly enhanced and sustained housing growth by allowing applicants, in conjunction with LPAs, to be able to provide greater choice for the growing and diverse London population. By providing homes at a range of sizes that are targeted at a broad range of income levels, we can help to deliver a more deliver more balanced community and offer more choice. It also allows developers to maximise delivery on a site by site basis and positively contribute to addressing the housing crisis.

Page: <u>Multi-policy response</u> Section: N/A

See attached submission.