

The London Plan

The Spatial Development Strategy for Greater London – Draft for Public Consultation

December 2017

Response by Moda Living Limited – 1 March 2018

Moda Living is a specialist investor, developer and operator of best-in-class, professional build to rent communities. Creating the UK's leading rental brand, with a growing pipeline of nearly 7,000 apartments located in high profile city centre locations, it is leading the way. Since inception it continues to push the boundaries using style, service and innovation to craft considered, inclusive residential communities. Focusing on unparalleled customer service and best-in-class institutional grade design, Moda Living promotes long-term healthy, social, connected living for its residents and is pioneering positive change to the UK rental landscape.

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- 1) The Build to Rent market has enormous potential to deliver quality amenity led residential accommodation in highly sustainable locations across London to help address the current acute shortfall in housing provision.
- 2) Given the special characteristics of the Build to Rent market, there are a variety of policy related issues which should be acknowledged within the emerging draft of the London Plan to ensure the potential of the Build to Rent market is actively promoted and optimised. These policy issues include the imposition of the following.
 - An overly restrictive use of residential space standards which do not recognise the high levels of amenity and comprehensive recreational provision which are integrated and fully available to residents within a Moda Living Build to Rent regeneration project. As an investor, developer and operator of Build to Rent properties, it is important that decision makers acknowledge that the highly efficient use of space within a Build to Rent property throughout the lifetime of the building is essential to creating a viable and developable product together with an integrated community. Greater flexibility in the interpretation and application of these standards should form a key element of emerging Policy D4 entitled "Housing Quality and Standards" and Build to Rent Policy H13.
 - The imposition of overly aggressive financial viability appraisals can have a significantly detrimental effect on the ability to deliver new high-quality Build to Rent homes. It is important that decision makers and Build to Rent Policy H13 recognise that the financial modelling of a Build to Rent regeneration product is distinctly different to an open market development. Whilst emerging policy has begun to acknowledge this difference, it is essential that decision makers recognise not only the

importance of the Build to Rent market in providing high quality homes and a diversity of choice but also acknowledge these modelling differences particularly when applications are presented to planning committee. The managing of targets and expectations in relation to affordable housing provision and Section 106 obligations is an essential element of delivering fully managed high-quality Build to Rent homes.

- The imposition of overly restrictive Community Infrastructure Levy (“CIL”) payment terms on Build to Rent developments has a direct and detrimental impact on the ability to deliver new high-quality Build to Rent homes. Greater flexibility in the phasing of CIL payments should form a key element of emerging Build to Rent policy.
 - Overly restrictive car parking standards which require the provision of inappropriate levels of car parking that exceed the requirements of the Build to Rent market given the excellent sustainability credentials of this use. Greater flexibility in the interpretation and application of these standards should form a key element of emerging Build to Rent policy in the London Plan.
 - It is essential that the Build to Rent investor, developer and operator has overall and unfettered management control of a single landlord Build to Rent development to ensure the comprehensive long-term quality and lettability of the product which is a vital element of securing the investment required to deliver new Build to Rent homes.
- 3) The emerging draft of the London Plan is hugely important in helping to shape and optimise the potential of the Build to Rent sector.
- 4) In Chapter 3 entitled “Design” of the draft plan, Table 3.1 and paragraphs 3.4.1 and 3.4.2 (reproduced below for ease) introduce minimum space standards for dwellings of different sizes under Policy D4 entitled “Housing Quality and Standards”. Paragraph 3.4.2 specifically states that the provision of communal amenity space is not a justification for delivering homes below these standards.

*3.4.1 Housing can be delivered in different physical forms depending on the context and site characteristics. Ensuring homes are of adequate size and fit for purpose is crucial in an increasingly dense city therefore this Plan sets out **minimum space standards** for dwellings of different sizes in Policy D4 Housing quality and standards and Table 3.1. This is based on the minimum gross internal floor area (GIA) relative to the number of occupants and takes into account commonly required furniture and the spaces needed for different activities and moving around. This means applicants should state the number of bedspaces/ occupiers a home is designed to accommodate rather than simply the number of bedrooms. When designing homes for more than eight bedspaces, applicants should allow approximately 10 sqm per extra bedspace.*

*3.4.2 The space standards are minimums which applicants are encouraged to exceed. However, due to the level of housing need and the requirement to make the best use of land, boroughs are encouraged to resist dwellings with floor areas significantly above those set out in Table 3.1 as they do not constitute an **efficient use of land**. The standards apply to all new self-contained dwellings of any tenure. The provision*

of additional services and spaces as part of a housing development, such as building management and communal amenity space, is not a justification for failing to deliver these minimum standards.

- 5) This approach to “all tenures” is at odds with the amenity rich principles of the Moda approach to professionally managed Build to Rent and paragraph 4.13.1 of the draft plan which states that the “*planning system should take a positive approach to the Build to Rent sector to enable it to better contribute to the delivery of new homes.*”
- 6) In establishing a minimum space standard, the draft plan should take into account the extent of the habitable area within a new home rather than just the minimum gross internal floor area. The clever and innovative open plan design of a Moda home optimises the habitable area available to residents by reallocating under-utilised and wasted space to the benefit of the occupants whilst allowing light to penetrate more deeply into the home.
- 7) This efficient design alongside amenity rich on-site provision such as resident lounges, gymnasiums, work-space, cinema rooms, communal kitchen areas, secure storage, wellbeing space including spa provision and on-site management teams generates a wealth of communal space within which residents interact and create community. For example, in our recently approved scheme in Birmingham known as “Zone2 Broad Street”, each new home has access to approximately 10m² of amenity space which compares hugely favourably to recent open market permissions where this provision has only been less than 2m².
- 8) This approach to careful and innovative internal space planning has been recognised by a number of local authorities including Edinburgh City Council within its “Edinburgh Design Guidance” published in October 2017 (Pages 82 and 83 - www.edinburgh.gov.uk/downloads/file/2975/edinburgh_design_guidance).
- 9) We strongly encourage the London Plan to recognise this approach within Policy D4, Table 3.1 and paragraphs 3.4.1 and 3.4.2, and revisit the approach to establishing minimum gross internal floor areas in isolation without reference to internal habitable areas.
- 10) Also in Chapter 3 entitled “Design” of the draft plan, paragraphs 3.4.4 and 3.4.5 (reproduced below for ease) address the creation of single and dual aspect dwellings.

*3.4.4 **Dual aspect dwellings** with opening windows on at least two sides have many inherent benefits. These include better daylight, a greater chance of direct sunlight for longer periods, natural cross-ventilation, a greater capacity to address overheating, mitigating pollution, a choice of views, access to a quiet side of the building, greater flexibility in the use of rooms, and more potential for future adaptability by altering the use of rooms.*

*3.4.5 **Single aspect dwellings** are more difficult to ventilate naturally and are more likely to overheat and should normally be avoided. Single aspect dwellings that are north facing, contain three or more bedrooms or are exposed to noise levels above which significant adverse effects on health and quality of life occur should not be permitted. The design of single aspect dwellings must demonstrate that all habitable rooms and the kitchen are provided with adequate passive ventilation, privacy and daylight, and that the*

orientation enhances amenity, including views. It must also demonstrate how they will avoid overheating without reliance on energy intensive mechanical cooling systems.

- 11) In relation to carefully crafted and innovative open plan layouts as highlighted earlier, the draft London Plan should more positively recognise that a single aspect home can benefit from levels of sunlight and daylight which exceed a dual aspect unit. A single aspect home does not have to represent an inferior product in comparison to a dual aspect unit.
- 12) We ask that the wording of the draft London Plan, and in particular paragraphs 3.4.4 and 3.4.5, is updated to acknowledge that when an innovative approach is taken to internal and external design, it is entirely possible to design and deliver a high quality single aspect home.
- 13) In Chapter 4 entitled “Housing” in the draft plan, Policy H13 focused specifically on Build to Rent is introduced. Moda Living welcomes and supports the introduction of a specific Build to Rent policy within the London Plan.
- 14) Moda Living welcomes the recognition within the draft London Plan that Build to Rent offers a different model to the traditional “for sale” approach and can play an important role in providing high quality residential accommodation and accelerating housing delivery.
- 15) Moda Living also welcomes the recognition that Build to Rent operators can manage discounted market rent (“DMR”) homes as affordable provision without the need to introduce a third party registered provider.
- 16) As highlighted earlier, the imposition of overly aggressive financial viability appraisals can have a significantly detrimental effect on the ability to deliver new high-quality Build to Rent homes. It is important that Policy H13 does not seek to impose standardised rental thresholds within the London Plan which should be the subject of a carefully considered analysis on a case-by-case basis as part of a detailed viability assessment process. Where a viability assessment process is followed, reference to the London Living Rent (paragraph 4.13.4) should be considered in the context of the conclusions and recommendations of the viability assessment and the levels of affordability which can be sustained by the specific development being assessed rather than against a non-site specific approach advocated within the London Plan.

We would be delighted to meet the Mayoral team to discuss these issues and the Build to Rent market. For more information and to arrange a meeting, please contact James Blakey (Planning Director) at Moda Living – jrb@modaliving.com