

# SAV Group comments

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Policy H12 notes that:

*‘Generally, schemes consisting mainly of one-person units and/or one-bedroom units should be resisted.’*

For the avoidance of doubt, the policy should make clear that this does not apply to large-scale purpose-built living (see Policy H18), in which most or all units will have one bedspace.

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## General points

SAV Group welcomes the inclusion of a policy dealing with large-scale purpose-built living. Notwithstanding, we have a number of specific comments.

First, we note that Policy H18 says:

*‘Large-scale purpose-built shared living Sui Generis use developments ... may have a role in meeting housing need in London...’*

In our view, this type of housing undoubtedly has a role in meeting housing need, offering high quality accommodation with a range of facilities and services not found in other forms of residential products. The policy should recognise that role.

Second, the policy says that schemes must meet 'an identified need' (and at paragraph 4.18.2 there is a suggestion that they should meet 'an identified market need'). There is no justification for this test. If there is no market for the product, the product will not be built.

Third, the policy says that units must be for rent for periods of no less than three months. That seems unreasonable, given that C3 units in London may be let for periods of less than 90 days.

Fourth, the policy proposes a minimum level of facilities and services which is, in some cases, excessive and beyond that required to distinguish large-scale purpose-built living from C3 developments.

For example, there should be no obligation to provide bedding and linen changing and/or room cleaning services. That is an option which some operators may wish to provide, but there is no credible reason for it to be required.

We also note that the policy says that units must demonstrably not be C3 accommodation. With that in mind, we are pleased to see the confirmation in paragraph 4.18.6 that units may include en suite bathrooms and kitchenettes, as what sets apart large-scale purpose-built shared living schemes from C3 developments is the presence of communal facilities and services, not the absence of en suite bathrooms and kitchenettes in individual rooms. These communal facilities and services will vary from scheme-to-scheme, but may include lounge areas, television/cinema rooms, libraries and laundry rooms, as well as kitchen/dining areas.

The policy should be amended to address these concerns.

### **Affordable housing**

Policy H18 says that developments are expected to provide a contribution that is equivalent to 35 per cent of the residential units to be provided at a discount of 50 per cent of the market rent. Notwithstanding the form that that contribution takes (see our comments on paragraph 4.18.7), we are concerned that the analysis which informed preparation of the London Plan (London Plan Viability Study, December 2017 and the associated technical report) has a number of shortcomings, which may make the affordable housing targets unrealistic.

For example, as the study concedes, shared living is a relatively new product type. As a result, the authors of the study were forced to rely, in the main, on historic rental data. In addition, the study tests only a 300-unit scheme, whereas Policy H18 applies to schemes from 50 units upwards. That approach is likely to skew the analysis in favour of larger schemes. Finally, the assumed benchmark land values appear to take little account of the fact that the policy requires large-scale purpose-built living schemes in areas with high PTALs.

The policy should, therefore, offer greater flexibility in negotiating affordable housing.

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Section: [4.18.2](#)

Paragraph 4.18.2 says that large-scale purpose-built living schemes should meet ‘an identified market need’. There is no justification for this test. If there is no market for the product, the product will not be built

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Section: [4.18.3](#)

Paragraph 4.18.3 says that tenancies in large-scale purpose-built living schemes should be for a minimum of three months. That is, in our view, unreasonable, given that C3 dwellings in London (which serve a similar role to large-scale purpose-built shared living) may be let for periods of less than 90 days in a calendar year.

Paragraph 4.18.4 says that a management plan must be produced and that it must include detailed information on a range of items. Some of these items go beyond what should reasonably be required. Specifically:

- It is not always feasible or necessary to provide linen change and private room cleaning services. Moreover, doing so is likely to make some shared living schemes unviable
- An on-site staff presence should not always be necessary, especially in the future as technology develops to allow, for example, increasingly secure access to buildings and drop-off of parcels.
- The provision of community events implies that all shared living schemes should seek to ‘manufacture’ a community, when that may not be what residents are seeking.

Moreover, it is not appropriate to use a section 106 agreement, as paragraph 4.18.4 proposes, to identify the number of on-site staff and their proposals. That implies that, for example, a change in staffing arrangements would require either a variation of the legal agreement or the resubmission of the management plan required by the section 106 agreement. That is an unnecessary and unreasonable burden to place on the operator of a shared living scheme.

Paragraph 4.18.5 says that ‘an on-site community manager should help to organise events to encourage social interaction between residents’. That implies that all shared living schemes should seek to ‘manufacture’ a community, when that may not be what residents are seeking. The reality is that many shared living schemes will provide for people who want to live ‘alongside’ other people, but not necessarily ‘with’ other people in an artificially created community.

In any case, residents will be perfectly well able to arrange events between themselves if they so wish, using information on noticeboards, social media and word of mouth. It is easy to envisage a resident starting a book club, for example, and that need not require a staff member to organise.

The requirement for an on-site community manager to organise events should, therefore, be deleted

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Section: [4.18.7](#)

Paragraph 4.18.7 says:

*'[B]ecause it does not meet minimum housing space standards and generally consists of bedrooms rather than housing units, [large-scale purpose-built living] is not considered suitable as a form of affordable housing itself.'*

The logic for this is unclear. What is acceptable for market housing occupants must surely be acceptable for affordable housing occupants. It must therefore, be possible (at least in principle) to consider large-scale purpose-built shared living as a form of affordable housing.

That said, whether affordable housing should be provided on-site or in the form of a payment in lieu should be by agreement and on a case-by-case basis, in order to take account of the particular circumstances of the site. Such an approach would be consistent with the Government's Planning Practice Guidance, which notes (paragraph 006; reference ID 23b-006-20140306):

*Where local planning authorities are requiring affordable housing obligations ... they should be flexible in their requirements. Their policy should be clear that such planning obligations will take into account specific site circumstances*

Paragraph 4.17.8 (sic) says:

*'A borough can decide whether it would prefer the financial contribution as a single upfront payment for affordable housing ... or an ongoing in perpetuity payment linked to actual rental income.'*

Notwithstanding our comments on paragraph 4.18.7, this should, ideally, be by agreement and on a case-by-case basis, in order to take account of the particular circumstances of the site. Such an approach would be consistent with the Government's Planning Practice Guidance, which notes (paragraph 006; reference ID 23b-006-20140306):

*Where local planning authorities are requiring affordable housing obligations ... they should be flexible in their requirements. Their policy should be clear that such planning obligations will take into account specific site circumstances.*

This should be reflected in the text.