

Greystar – submission for consideration in EiP of New London Plan

Organisation:	Greystar Europe Holdings Ltd
Respondent Number:	0069
Matter:	M28 – Housing Size Mix

Introduction

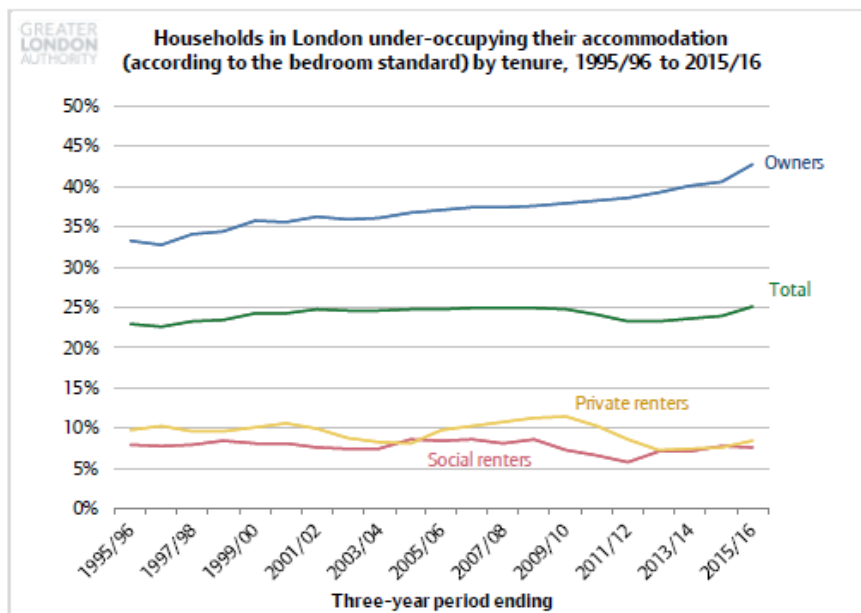
Greystar is a leading investment, development and management organisation within the Build to Rent (BtR) and Purpose-built Student Accommodation (PBSA) sectors in London, and is the global leader in rental housing. We are keen to play our part in addressing London’s housing needs, whilst creating sustainable, successful and lasting communities, alongside long-term placemaking. This will benefit both those that need good quality rental homes, as well as the wider neighbourhoods in which these are developed. The responses below include consideration of the specific questions set out in Panel Note 6, Annex 1 where appropriate and related to Build to Rent and / or PBSA.

M28 – Housing Size Mix

Policy H12 ‘Housing Size Mix’

As we are investing in and developing BtR communities for successful long-term rental & management, Greystar needs to be able to provide units in a mix resulting from market research, which we know will work in practice. Of particular note within the propose policy is Part C, which suggests that Boroughs should not set prescriptive dwelling size mixes for market and intermediate homes. ‘Housing Size Mix’ is welcomed as this allows a more market-led approach to the provision of units.

We would like to emphasise that the mix of housing types provided into the BtR sector should not necessarily follow existing local or London-wide policy or guidance that has typically evolved to suit the ‘for-sale’ development sector. We draw attention to Figure 6.6 of the Mayor’s ‘Housing in London 2018’ evidence base document, reproduced below for ease of reference:



This evidence clearly demonstrates the following:

- 43% of owner-occupied homes in London are under-occupied. In other words, purchasers tend to buy an extra bedroom if they are able to – either to allow for future household expansion or to provide additional internal amenity space, for example a home office.
- In the rented sectors (both private and social), this proportion is significantly less, at either 7% or 8%. In other words, renters tend to only rent the unit size they actually need – probably because they do not want to pay more rent than necessary for unused space, and also because it is relatively straightforward to move to a larger or smaller home if and when this becomes necessary, without disproportionate transaction costs. Within BtR, residents also generally have access to additional shared amenity space within the building, providing alternative locations for working from home, etc.

As a result of these factors, it can be seen that a significant adjustment towards a mix that includes fewer bedrooms for purpose-built rental housing can be justified for BtR development, in contrast to the conventional ‘for-sale’ model.

Finally, it is both very disappointing and concerning that paragraph 4.12.3 (which previously acknowledged that families can, and do, live in two-bedroom homes) was deleted in the ‘Draft London Plan showing Minor Suggested Changes – July 2018’ without any explanation. Greystar believes that 2-bedroom, 4-person units should be recognised as contributing to the provision of family accommodation, especially when provided with 2 bathrooms as is our standard. We therefore request that this should be explicitly reinstated within the adopted London Plan as falling rightly within the definition of family accommodation.

Word count: 523