



BPF SUBMISSION TO A CITY FOR ALL LONDONERS

The British Property Federation (BPF) represents the commercial real estate sector – an industry with a market value of £1,662bn which contributed more than £94bn to the economy in 2014. We promote the interests of those with a stake in the UK built environment, and our membership comprises a broad range of owners, managers and developers of real estate as well as those who support them. Their investments help drive the UK's economic success; provide essential infrastructure and create great places where people can live, work and relax.

London has proven hugely successful at attracting talent, businesses and investment from around the world. With other city regions in the UK beginning to take control of devolved powers and welcome new elected mayors, the capital must ensure it acts as a beacon of best practice in regeneration opportunities, housing of different types and tenures, and providing jobs for these residents. The new iteration of the London Plan must encourage this to continue in a time of political uncertainty and ensure the capital is able to retain its place as a leading world city, while tackling issues around housing, transport infrastructure, and affordable and sufficient employment space.

This document represents the Federation's feedback to the GLA's first call for submissions on a new London Plan, 'A City for All Londoners'. We welcome the Mayor's broad outline of his vision for London and its people. As the representatives of the property investment sector we believe we have an important part to play in helping deliver many of the priorities set out in A City for all Londoners.

Land

Above all else this plan must have an all-encompassing and ambitious land strategy. Research has shown^[1] that if London is to meet its need for housing, at the speed required, then it will need a land strategy that embraces not one or two, but all possible sources of land in London:

- Brownfield land
- Estate regeneration
- Better use of mixed use
- Greater density in the suburbs
- Effective cooperation with other South East local authorities that surround London
- And, a thoughtful Green Belt policy

Brownfield land, including public land

It is important that the 'Domesday Book' of public land created by the London Land Commission is not seen as the end of a project, but really just the start of it. A strategic view needs to be taken on sites, and where appropriate, such land parceled up and offered to the development market. Where public land owners are blocking development of their land within a suitable timescale the Mayor should have the power to directly deal with that public body to ensure that land is released in a suitable time. The Government can support this by imposing on public bodies the requirement to provide a valid explanation of why land is not released, if the Mayor requests this.

The management and redevelopment of surplus public sector land for housing should be focused on the speed of housing delivery and housing outcomes, rather than on achieving immediate capital returns through asset disposal. Alternative delivery mechanisms, including joint-ventures and the direct commissioning of house building, should be used where this would be appropriate and support these aims. If 'best consideration' rules prevent such approaches then the Mayor and industry could lobby for changes, or clarifications, from central Government, in certain instances.

Estate regeneration

We look forward to the Mayor's imminent guidance on Estate Regeneration. We think it is important, that it covers the need for:

- approaches on how to group together small sites to develop wider regeneration than just housing (including other uses);
- incentives and mechanisms to support the delivery of wider public benefits, in terms of social infrastructure or additional affordable housing;
- detailed measures to ensure that people who live on these estates will be entitled to live within the same area, at similar conditions.



Mixed use schemes that reflect current requirements

Housing must be supported by other infrastructure (social and physical), commercial uses, and good design and place-making. We are concerned that such is the competition for land in London that the housing delivery focus could underestimate the crucial role that these other objectives play in developing places.

Mixed-use scheme development must focus on local needs, in order to tailor the mix of uses and functions to the effective needs of existing (and future) communities. This could also lead to an increase of local support for new developments. Often the kind of mixed-use development in London tend to be replicated in very different parts (and communities) within the city, while a more tailored approach could ensure the development is effectively contributing to place-making and improving the overall quality of places. A focus should be on different use, other than retail, such as commercial, small and medium workspaces (to be as affordable as possible), social infrastructure, leisure, and so forth.

The Mayor should encourage more mixed use development. For example, where there is an existing building that is in commercial use, there should be a presumption in favour of its redevelopment to mixed use, particularly when this addresses identified (and unmet) local needs.

Greater density in the suburbs

The Mayor's overall policy on the outer Boroughs needs a new lease of life. The Outer London Commission was the previous Mayor's favoured advisory forum for considering how best to use the potential of the outer Boroughs. We think that having a well-thought through policy on the Outer Boroughs is important, but the structures advising the Mayor and ensuring delivery need revising.

The London Plan should provide a stronger policy framework to guide and encourage suburban intensification within 1km of a tube or rail stations. 'Station development zones' could be established to ensure intensification is undertaken in an appropriate manner. The scope for station development zones should be explored in more detail by TfL. In addition, the Mayor and Network Rail should work collaboratively to explore making better use of Network Rail sites and land holdings in London for housing delivery.

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Where complementary public transport services exist which provide multi-modal and multi-directional public transport provision, station catchments could be expanded beyond 1km. Areas with good (PTAL 4+ scores) could be considered where this would more accurately reflect existing or planned public transport connectivity levels. The Mayor should also undertake further research to assess the land, finance and planning barriers preventing suburban intensification and the ways in which these could be addressed.

In addition to and alongside the approach outlined in the recommendation above, Government, the Mayor and London boroughs should examine the potential to implement a tailored permitted development framework to enable incremental suburban intensification in appropriate and accessible locations through development orders and explore how associated design codes could ensure high quality design and sustainable development.

More support from the local authorities that surround London

There should be more effective co-operation between the Mayor and South East Local Authorities. Central Government could do more to support and promote this. For example, by ‘devolving’ part of London’s housing needs to local authorities where transport connectivity to Central London is good and significant opportunities exist (for example, the growth corridors with the existing Plan); in exchange for this, South East local authorities could be incentivised (from Central Government through the Housing White Paper), accessing further resources when they actively contribute to helping meet London’s housing need. The Mayor could lobby Central Government on this.

A thoughtful Green Belt Policy

The Federation has a long tradition of supporting brownfield-first policies. However, the Federation now recognises the need to take a strategic view on Green Belt, making better use of transport corridors that pass through it, for example, to incentivise housing developments.

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Residential

One of the strengths of London Government, and previous iterations of the London Plan, has been consistency between Mayors. Whilst the politics of London may change, planning for the city's growth and evolution is a long-term venture, which inevitably straddles different Mayors' tenures.

Having some continuity in planning is therefore a must, and for London's housing is no exception, but there is a need to increase the scale of ambition through the London Plan, if the aim is to deliver the homes that are needed, or suffer the economic and social consequences of not doing so.

Housing delivery must also take account of all the other essential services and infrastructure that people need, and changing way in which things are being done. We are concerned that as part of process of formulating this plan, it doesn't just look at past trends from the evidence base, but the way that technology is changing the way that people live, whether it is shopping, employment, social infrastructure, or housing.

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For example, there was a time when car ownership was a measure of social status and therefore something the vast majority of the population aspired to. We are not so sure the young adult population has that same aspiration to own a car, particularly in London, and therefore that will perhaps decrease the need for parking spaces in some developments, but increase the importance of proximity to public transport or bike storage.



Build to Rent

The Build to Rent (BtR) sector has been growing rapidly over the past 2-3 years. We estimate there are 36,383 units in London with planning permission at various stages of delivery. The previous Mayor planned on the basis of 5,000 units coming from BtR, towards the overall target of 42,000 units per year.

BtR is delivering quality rental accommodation for a range of different occupiers; the young who are unable to buy and an increasing part of the population who want the flexibility of renting to match flexible work patterns for example. London's pre-eminent place as a 'World City' also relies in part on people from around the world being able to access its housing market instantly.

Traditionally, need for market rented housing, as opposed to market sale housing, has not been separately identified as part of a Strategic Housing Market Assessment (SHMA). National Planning Practice Guidance suggests SHMAs should now include an assessment of market rented accommodation need. We would like to see the new SHMA for the London Plan take account of the need for market rented housing.

As well as demand for such BtR accommodation, the BtR sector has the investment capacity to deliver, with significant interest and action to invest in London from a range of UK and overseas institutional investors. Development capacity is also on the upside, with the sector more capable of using modular techniques and reliant on a wide range of construction partners, than just the main house building firms. Any adjustments to the overall plan numbers should therefore take account of this sector's capacity.

To support delivery, successive mayors have sought to develop Build-to-Rent policy in Supplementary Planning Guidance (SPG), helpfully distinguishing it from building homes for sale. This is also the case for the recently-launched draft Affordable Housing and Viability SPG,

where the use of a minimum 15 year covenant and recognition of Discounted Market Rent as the affordable housing option that works best with BtR development is very welcome. More generally, the greater clarity that having a specific BtR policy brings should not be underestimated.

Having developed such a supportive policy we would like to see general support for Build to Rent translated from guidance into the full Plan. Some flexibility could be retained by fleshing out the detail in guidance. The GLA may also wish to consider whether it was helpful to aid practice, by having a model covenant. We are conscious that at present, many local authority officers and members may be unfamiliar with the BtR covenant approach, and rather reinventing the wheel each time, a model covenant may be helpful.

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In support of greater clarity, and therefore delivery, there are some aspects of BtR policy, which could also be formalised. Car parking for example, also continuing to support flexibility on design standards. We believe that with a continuing supportive policy environment, demand for BtR, and capacity in the sector to invest, it is possible to aim for a higher contribution from BtR towards London's overall housing need. We would need to do extra work to quantify precisely, but 7,500 or even 10,000 per annum may be possible.

Reaching such a target would however, be heavily dependent on other aspects of this response, particularly the ambitions on land release. Given the sector is an excellent pump-primer on larger sites, hastening the speed and quantity of what is delivered, we would suggest it is built into Plan thinking on opportunity areas and Housing Zones policy.

Other forms of housing

As is the case with most innovation, policy and regulation can often lag behind it. There is a range of housing sub-sectors for the young and elderly, which because they are not typical are not covered in any depth in previous plans, and therefore planning policy does not take account of their individual, and sometimes special, circumstances.

In the same way that Build-to-Rent policy has developed to be more specific, the same is needed for housing for the elderly, and a variety of models that are providing micro-housing for the young, which can work, where they are well-designed.

In the case of housing for the elderly, their requirements need to be better reflected in the SHMA process and thereafter flow into proactive policies that are giving local Boroughs a clear steer as to making provision in their local plans.

So far as purpose-built student accommodation is concerned, it helps to relieve pressure on existing housing and for that reason alone should be supported and encouraged. In the Further Alterations to the London Plan (FALP) a new requirement was introduced for private providers to deliver 'affordable student housing', where they were not working with an academic institution, and subject to viability. We remain concerned that such a policy will further constrain the development of private purpose built student accommodation in London, but until the policy is tested it is difficult to prove one way or another.

We remain concerned that the policy is taking a different approach to university and private providers, who are often competitors in the same market. Linking affordability to incomes, rather than to a percentage of market rents remains a concern in as much as student incomes will be subject to Government policies and not the economic realities of developing student accommodation in London.

For the purposes of this consultation it is important the Mayor reiterates a commitment to London's place as a leading supplier of higher education, to domestic and international students. The Mayor should be supporting continued expansion of the sector; perhaps not through the creation of significant new campuses, but specialised HE facilities focused on a particular expertise or specialism, or which are community-led.

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Industrial

London's economy is supported by a wide and exciting range of businesses, ranging from global investment firms to SMEs. Logistics firms ensure London's businesses and residents are able to expect delivery of products within (in many cases) a matter of hours, and by their very nature need to be located within easy reach of the population they serve.

This industrial land also houses activities which keep the city moving and vibrant, but may be less visible – from electricians and plumbers, to film and theatre set construction, to food preparation, to artists. While distinct in their interests, they all depend on a highly-efficient supply chain which in turn relies on availability of suitable industrial land in the right locations.

This supply chain is threatened by the lack of available industrial land in the right locations, and the ability of London to compete as a global city, supporting not only its financial services sector but also the retail, hospitality, entertainment and media sectors, will be challenged to the extreme if the loss of industrial land is not better managed.

With industrial land being lost at a much higher rate than anticipated (from 2010 – 2015, the rate of industrial land release was 2.7 times that anticipated in the Mayor's 2012 Land for Industry and Transport SPG) the ability of these businesses to grow and fulfil their potential is severely stymied. Indeed, if the trend release for the period 2010 to 2015 continues in the future then the SPG target will be reached by around 2017 and exceeded significantly by 2031. This means the loss of businesses and jobs, as industrial land supports a significant proportion of London's workforce and there was a 4% growth in industrial employment from 2010 – 2015.

The evidence base for the London Plan must include a full and holistic demand assessment (employment land study) carried out in accordance with Planning Practice Guidance taking into account not only the quantum of land required to support our changing economy but also recognising the qualitative aspects of land requirements of industrial land occupiers. This must also consider the practicalities and realities of providing London's industrial land outside of the capital – those locations and businesses must be considered very carefully; it is not simply a case of moving all industrial land outside of London.

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There are cases where land historically allocated for industrial development is now not fit for purpose for the needs of modern industrial use, and could therefore be released for housing. However, the need for industrial land often remains and this release is unlikely to be offset elsewhere either in the local authority or across the city. Once lost, it is near impossible to regain this land for industrial use. In addition, while there may be cases where land could be better used for housing there are other areas which should be safeguarded as a priority.

The availability of housing in London is understandably a priority for the Mayor, and we welcome moves to encourage new residential developments of different tenures. However, it is often the industrial land which is eroded in favour of residential development, with local authorities feeling they face a binary choice between encouraging and planning for housing or employment.

We understand the pressures facing local authorities in providing housing, and are often encouraged by civil servants and local authorities alike to think innovatively about developments where industrial uses can sit alongside residential. While clearly not possible in every

case, our members are at the forefront of pioneering schemes where this can work (for example, residential developments could be built above service yards or covered light industrial units; or on larger schemes housing can be developed as part of a mixed-use regeneration scheme) and we will explore these further in future submissions to the GLA.

In addition to encouraging the opportunities presented by industrial and residential development co-existing, planning policy that encourages multi-storey industrial units (common in places such as Hong Kong, Japan and China) would also help ease the land supply crisis.

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High streets and town centres

The London Plan places housing as a key priority and given the pressures that London faces with regards to meeting the growing need for housing, this is commendable. However, we must not forget the importance that the commercial real estate sector plays in ensuring that London continues to grow and thrive.

Successful high streets and town centres remains high on national and local agenda and are often seen as being a vital social centre for communities. They can be the engine for economic growth through the empowerment of local businesses and bring to life locations that would otherwise be inhospitable locations, though a vibrant night time economy.

However, retail is fundamentally changing and it is no longer just a case of expanding the range of shops available to consumers. There are significant pressures being put on town centres and high streets including changing consumer demand and a change in the ways consumers now shop. This has resulted in retailers either consolidating their outlets or closing them down altogether which can in turn set a spiral of decline in these locations. Town centres and high streets need to consider their long term future, not just as a retail destination, but as a place for people to gather, shop, spend leisure time both during the day and into the evening.

Town centres and high streets generally have a core and a fringe and often there are simply too many shops which can result in underperforming or vacant units leading to areas of blight. There is an argument therefore, that these areas need to be reduced back towards the core to achieve a stronger and better managed centre. This will require restructuring on a potentially significant scale and it is imperative that local authorities remain at the heart of this, working with their local communities and local businesses to ensure this is done in a sympathetic manner.

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However, high streets and town centres are no longer just about retail. Community and leisure uses and residential all have a role to play in ensuring the viability of these areas. Furthermore, the availability of office space is key and it is vital that London contains the right amount and type of office space which is suitable for any type of business from small start ups to larger, more established businesses. Offices and the people that are housed within them play an important part in the dynamic of high streets and town centres both from a professional point of view and in terms of leisure time spent outside of work hours. If there is not the suitable office space available, high streets and town centres risk becoming homogenous areas of declining retail which cannot meet the needs of its community.

Infrastructure

Infrastructure must be considered in its entirety. It is not simply about transport but also about digital connectivity, housing and good design.

The Mayor has made clear that transport connectivity is fundamental. Transport capacity needs to ensure that, as London continues to become more mobile, it is able to keep pace with this change. However, greater regard must be given to wider infrastructure needs with regards to supporting housing and employment and seek to understand how people use their immediate environments and the connections between these.

Furthermore, by planning infrastructure and development together, both in the long term and short and medium terms, much can be done to kick start and maintain the ongoing viability of an area. The consideration of green infrastructure and how green spaces can add value to the development of an area is paramount but we must ensure that the distinction is drawn between green spaces and green belt which are fundamentally different but are often perceived as being the same and therefore inadvertently inhibiting development.

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