

Chapter 4 Housing

The London Plan 2021

A drawing of London city with buildings and trees.

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Policy H1 Increasing housing supply

Policy H1 Increasing housing supply

A Table 4.1 sets the ten-year targets for net housing completions that each local planning authority should plan for. Boroughs must include these targets in their Development Plan Documents.

B To ensure that ten-year housing targets are achieved, boroughs should:

1) prepare delivery-focused Development Plans which:

a) allocate an appropriate range and number of sites that are suitable for residential and mixed-use development and intensification

b) encourage development on other appropriate windfall sites not identified in Development Plans through the Plan period, especially from the sources of supply listed in B2

c) enable the delivery of housing capacity identified in Opportunity Areas, working closely with the GLA.

2) optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, especially the following sources of capacity:

a) sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m distance of a station^[39] or town centre boundary^[40]

b) mixed-use redevelopment of car parks and low-density retail parks and supermarkets

c) housing intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses

d) the redevelopment of surplus utilities and public sector owned sites

e) small sites (see [Policy H2 Small sites](#))

f) industrial sites that have been identified through the processes set out in [Policy E4 Land for industry, logistics and services to support London's economic function](#), [Policy E5 Strategic Industrial Locations \(SIL\)](#), [Policy E6 Locally Significant Industrial Sites](#) and [Policy E7 Industrial intensification, co-location and substitution](#).

3) establish ambitious and achievable build-out rates at the planning stage, incentivising build-out milestones to help ensure that homes are built quickly and to reduce the likelihood of permissions being sought to sell land on at a higher value.

C Boroughs should proactively use brownfield registers and permission in principle to increase planning certainty for those wishing to build new homes.

D Boroughs should publish and annually update housing trajectories based on the targets in Table 4.1 and should work with the Mayor to resolve any anticipated shortfalls.

E Where new sustainable transport infrastructure is planned, boroughs should re-evaluate the appropriateness of land use designations and the potential to accommodate higher-density residential and mixed-use development, taking into account future public transport capacity and connectivity levels.

F On sites that are allocated for residential and mixed-use development there is a general presumption against single use low-density retail and leisure parks. These developments should be designed to provide a mix of uses including housing on the same site in order to make the best use of land available for development.

4.1.1 The Mayor has carried out a London-wide Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessment (SHLAA). The SHMA has identified **need for 66,000 additional homes per year**. The SHMA covers overall housing need as well as exploring specific requirements for purpose-built student accommodation and specialist older persons' accommodation within the overall figure.

4.1.2 For the purposes of the Plan, London is considered as a single housing market area, with a series of complex and interlinked sub-markets. The advantage of **strategic planning** is that it allows London to focus development in the most sustainable locations, allowing all of London's land use needs to be planned for with an understanding of how best to deliver them across the capital. Because of London's ability to plan strategically, boroughs are not required to carry out their own housing needs assessment^[41] but must plan for, and seek to deliver, the housing targets in this Plan. These have been informed by the SHLAA and the SHMA.

4.1.3 The Mayor recognises that development of this scale will require not just an increase in the number of homes approved but also a fundamental transformation in how new homes are delivered. The London Plan,

London Housing Strategy and Mayor's Transport Strategy together provide a framework to help achieve this ambition but achieving this step change in delivery will require increased levels of funding to support the delivery of housing and infrastructure, which is discussed in more detail in [Chapter 11](#).

4.1.4 In particular, the **London Housing Strategy** sets out the Mayor's proposals for working with boroughs and other partners to deliver the step change in housing supply required, through:

- **proactive intervention in London's land market** to unlock and accelerate housing delivery, including on public land and through compulsory purchase and other forms of land assembly
- **increased and better-targeted investment** to de-risk development and maximise opportunities from new transport infrastructure
- **diversification of the housebuilding industry** through increased Build to Rent development, more support for small and medium-sized builders, and more supply from councils and housing associations
- **tackling the construction skills gap** and modernising construction methods.

4.1.5 The London Housing Strategy encourages boroughs to put in place clear plans to bring forward appropriate sites in their own ownership for housing delivery. Boroughs should align these plans with their Development Plans in order to speed up housing delivery and ensure planning policy implications are fully considered.

4.1.6 Also set out in the London Housing Strategy, is the Mayor's aim to ensure that Londoners have an opportunity to purchase new homes before they are marketed overseas – particularly those homes that ordinary Londoners are more likely to be able to afford. The Mayor is discussing with major homebuilders steps to make more new homes available to Londoners before anyone else. The Mayor would keep any such steps under review to ensure that they deliver his objectives. Their effectiveness will be monitored and the Mayor will consider other measures if necessary.

4.1.7 **The ten-year housing targets** in Table 4.1 are based on the 2017 London SHLAA. This includes an assessment of large housing sites (0.25 hectares and above) undertaken in partnership with boroughs, which provides the most comprehensive study available of the capital's capacity for housing delivery based on a consistent pan-London methodology. In addition, the SHLAA includes an assessment of small site capacity using a combination of trend data for certain types of development and an estimate of potential for intensification in existing residential areas. The differences between borough housing targets are a reflection of the variations in the constraints and opportunities affecting development on large sites and the capacity for development on small sites.^[42] This includes: transport connectivity; the availability of large brownfield sites; scope to accommodate higher residential densities around town centres and stations; planning designations for industrial land, Green Belt, Metropolitan Open Land and other protected open spaces; environmental constraints; heritage assets; and the need to accommodate other land uses.

4.1.8 The SHLAA shows that there is **capacity** across London for approximately 40,000 new homes a year on large sites. Modelling in the SHLAA also shows that there is capacity for development on small sites for 12,000 new homes a year. The allowance for windfall sites (that are not specifically identified) is considered appropriate given the policy framework set out in the London Plan; the capital's reliance on recycled brownfield sites in other active land uses; and the number of additional homes expected to be provided via incremental intensification of existing residential areas. Boroughs should identify as many sites, including small sites, as possible via their Development Plan Documents. However, because of the nature of some sites (as set out above), including the particular incremental characteristics of small sites, boroughs are supported in using windfall assumptions in their five-year housing trajectories based on the numbers set out in Table 4.2. This is because, in contrast with recent annual trends on small sites, the figures in Table 4.2 are considered to better reflect a minimum baseline for housing delivery given the policy focus on developing small sites for housing in

this Plan ([Policy H2 Small sites](#)) and the package of measures outlined in the London Housing Strategy.

4.1.9 There will inevitably be variations in housing completions from one year to the next, as well as a degree of uncertainty in the delivery and phasing of large sites. Therefore, the Mayor will monitor both housing completions and the net pipeline of approved homes when assessing progress towards delivering the London Plan housing targets (see [Chapter 12 - Monitoring](#)). The ten-year housing targets set out in Table 4.1 should be monitored in net terms taking into account homes lost through demolition, amalgamations^[43] or change of use.^[44] Net non-self-contained accommodation for students should count towards meeting housing targets on the basis of a 2.5:1 ratio, with two and a half bedrooms/units being counted as a single home. Net non-self-contained accommodation for older people (C2 Use Class) should count towards meeting housing targets on the basis of a 1:1 ratio, with each bedroom being counted as a single home. All other net non-self-contained communal accommodation should count towards meeting housing targets on the basis of a 1.8:1 ratio, with one point eight bedrooms/units being counted as a single home. The approach to **monitoring net housing provision** from different forms of non-self-contained accommodation is based on the amount of self-contained housing this form of supply will free up. The ratios for student accommodation and other forms of communal accommodation mirror the ratios set out in the Government's Housing Delivery Test Measurement Rulebook.

4.1.10 The Mayor will work closely with boroughs on their **housing trajectories** and Development Plans to ensure these targets are planned for effectively, particularly where issues are identified in terms of completions and the development pipeline. In order to effectively contribute towards meeting London's housing needs, it is essential that all permitted homes are built out in a timely manner. Boroughs should encourage ambitious and achievable build-out milestones for all development proposals and consider using tools such as viability reviews (see [Policy H5 Threshold approach to applications](#)). The increase in housing delivery required by these targets may be achieved gradually and boroughs are encouraged to set out a realistic and, where appropriate, stepped housing delivery target over a ten-year period. This should be supported by a clear articulation of how these homes will be delivered and any actions the boroughs will take in the event of under delivery.^[45] With the support of the boroughs and taking account of the information published in accordance with Part D, the Mayor will monitor housing supply against targets on a London-wide basis.

4.1.11 If a target is needed beyond the 10 year period (2019/20 to 2028/29), boroughs should draw on the 2017 SHLAA findings (which cover the plan period to 2041) and any local evidence of identified capacity, in consultation with the GLA, and should take into account any additional capacity that could be delivered as a result of any committed transport infrastructure improvements, and roll forward the housing capacity assumptions applied in the London Plan for small sites.

4.1.12 As identified in the Habitats Regulation Assessment, a mitigation strategy for Epping Forest Special Area of Conservation (SAC) is being produced to respond to the impact of additional recreational pressure and air pollution from nearby authorities, including some London boroughs. Should monitoring and evidence demonstrate adverse impacts on the SAC associated with development from London and following the implementation of the mitigation strategy, this will be considered as part of assessing whether a review of the London Plan is required. The GLA will engage with the relevant stakeholders on the formulation and delivery of the mitigation strategy.

Table 4.1 - 10 year targets for net housing completions (2019/20 - 2028/29)

Table 4.1 - 10 year targets for net housing completions (2019/20 -2028/29)

Table 4.1 shows the indicative housing targets over ten years for each of London's planning authorities

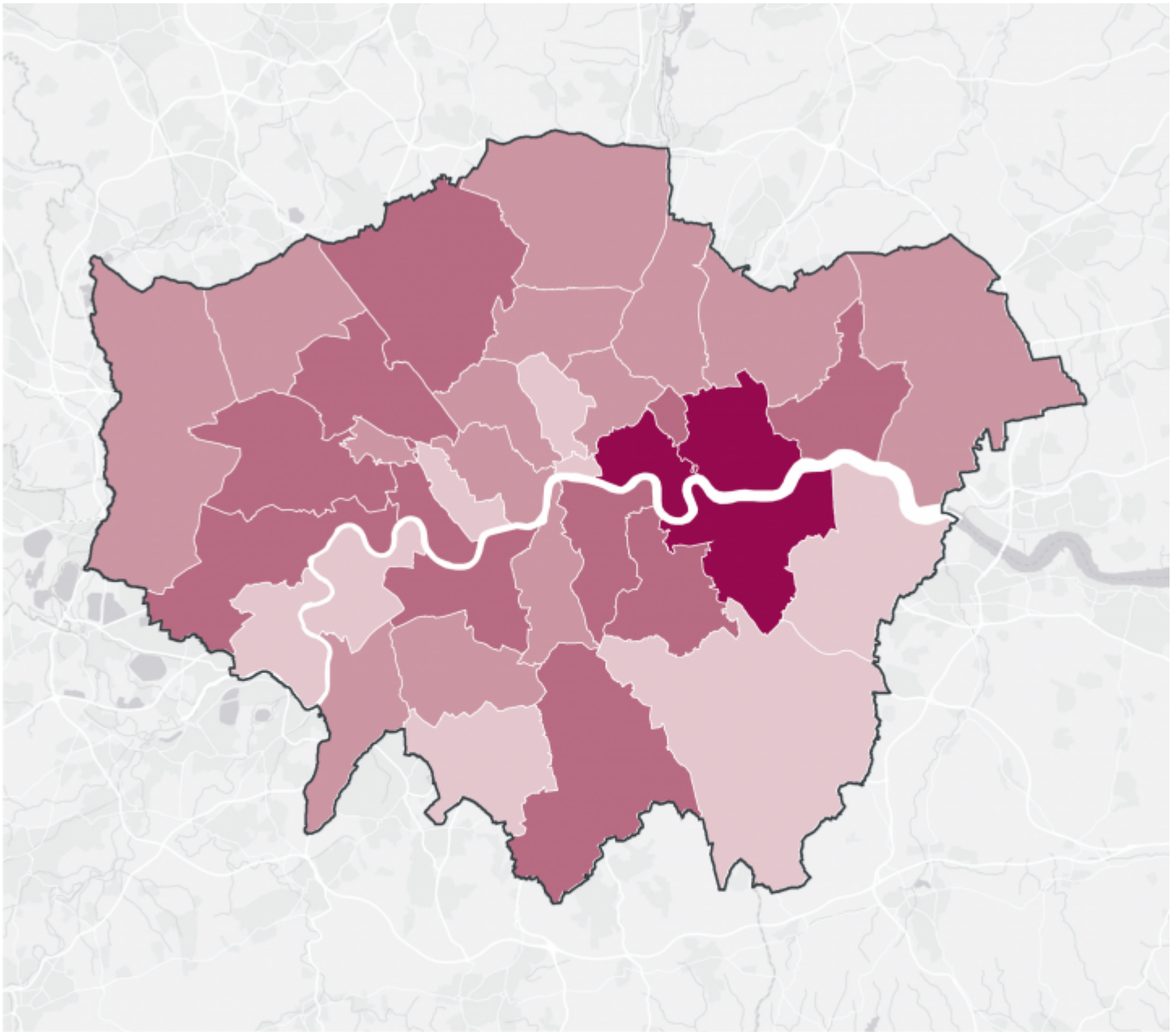
Planning Authority	Ten year housing target
Barking & Dagenham	19,440
Barnet	23,640
Bexley	6,850
Brent	23,250
Bromley	7,740
Camden	10,380
City of London	1,460
Croydon	20,790
Ealing	21,570
Enfield	12,460
Greenwich	28,240
Hackney	13,280
Hammersmith & Fulham	16,090
Haringey	15,920
Harrow	8,020
Havering	12,850

Planning Authority	Ten year housing target
Hillingdon	10,830
Hounslow	17,820
Islington	7,750
Kensington & Chelsea	4,480
Kingston	9,640
Lambeth	13,350
Lewisham	16,670
London Legacy Development Corporation	21,540
Merton	9,180
Newham	32,800
Old Oak Park Royal Development Corporation	13,670
Redbridge	14,090
Richmond	4,110
Southwark	23,550
Sutton	4,690
Tower Hamlets	34,730

Planning Authority	Ten year housing target
Waltham Forest	12,640
Wandsworth	19,500
Westminster	9,850
Total	522,870

Figure 4.1 - 10 Year Housing Target for Net Completions

Figure 4.1 - 10 Year Housing Target for Net Completions



10 Year Housing Target for Net Completions

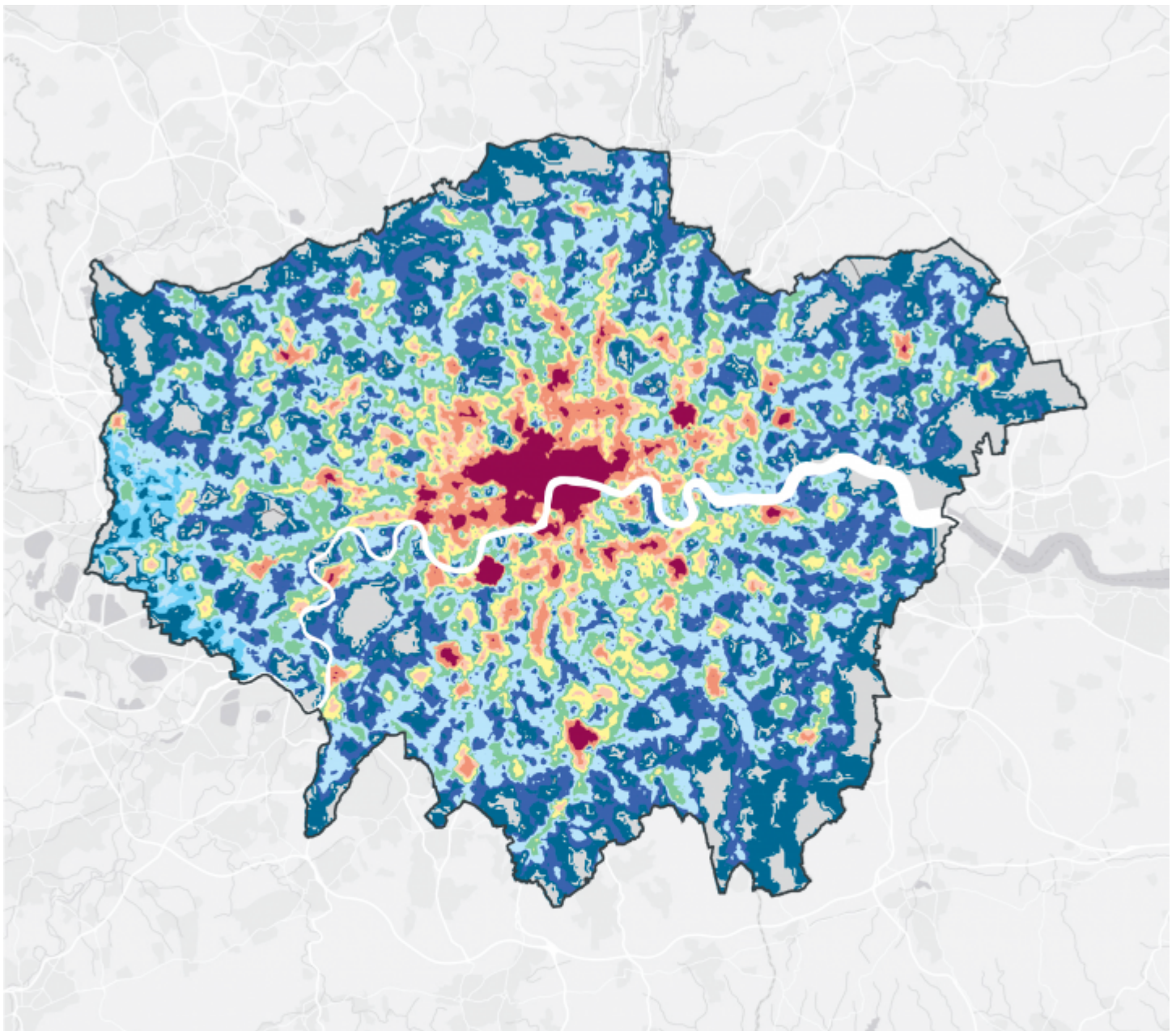
- 24,001 - 34,730
- 16,001 - 24,000
- 8,001 - 16,000
- 1,460 - 8,000

Source: GLA Planning

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Figure 4.2 - Public Transport Access

Figure 4.2 - Public Transport Access



**Public Transport Access Levels
2021**



Source: Transport for London (TfL)

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Policy H2 Small sites

Policy H2 Small sites

A Boroughs should pro-actively support well-designed new homes on small sites (below 0.25 hectares in size) through both planning decisions and plan-making in order to:

- 1) significantly increase the contribution of small sites to meeting London's housing needs
- 2) diversify the sources, locations, type and mix of housing supply
- 3) support small and medium-sized housebuilders
- 4) support those wishing to bring forward custom, self-build and community-led housing
- 5) achieve the minimum targets for small sites set out in Table 4.2 as a component of the overall housing targets set out in Table 4.1.

B Boroughs should:

- 1) recognise in their Development Plans that local character evolves over time and will need to change in appropriate locations to accommodate additional housing on small sites
- 2) where appropriate, prepare site-specific briefs, masterplans and housing design codes for small sites
- 3) identify and allocate appropriate small sites for residential development
- 4) list these small sites on their brownfield registers
- 5) grant permission in principle on specific sites or prepare local development orders.

4.2.1 For London to deliver more of the housing it needs, small sites (below 0.25 hectares in size) must make a substantially greater contribution to new supply across the city. Therefore, **increasing the rate of housing delivery from small sites** is a strategic priority. Achieving this objective will require positive and proactive planning by boroughs both in terms of planning decisions and plan-making.

4.2.2 Increasing housing output of this scale can also help to support a number of **related housing and planning policy objectives**. This includes:

- reviving the role of small and medium-sized developers in delivering new homes in London
- diversifying the sources, locations, type and mix of housing supply and the type of sites available in addition to large brownfield sites
- increasing housing provision in accessible parts of outer London to help address the substantial housing need in these areas and deliver market homes in more affordable price brackets
- providing opportunities for custom-build housing and community-led housing projects^[46]
- supporting town centre economies
- as with large sites, providing opportunities to support the use of modern methods of construction.

4.2.3 The **small sites minimum targets** in Table 4.2 are informed by the 2017 London SHLAA and show the potential capacity for additional housing on sites of less than 0.25 hectares in size. The targets are based on trends in housing completions on sites of this size and the estimated capacity for net additional housing supply from intensification in existing residential areas, taking into account PTAL, proximity to stations and town centres, and heritage constraints. The small sites targets are a component of, and not additional to, the overall housing targets. The relative contribution from large and small sites in each borough may fluctuate across the target period, providing the overall 10 year borough target is met in a way that is consistent with the policies in the Plan. The small sites target can be taken to amount to a reliable source of windfall sites which contributes to anticipated supply and so provides the compelling evidence in this respect required by paragraph 70 of the National Planning Policy Framework of 2019.

4.2.4 **Incremental intensification** of existing residential areas within PTALs 3-6 or within 800m distance of a station^[47] or town centre boundary^[48] is expected to play an important role in contributing towards the housing

targets for small sites set out in Table 4.2. This can take a number of forms, such as: new build, infill development, residential conversions, redevelopment or extension of existing buildings, including non-residential buildings and residential garages, where this results in net additional housing provision. These developments should generally be supported where they provide well-designed additional housing to meet London's needs.

Table 4.2 - 10 year targets (2019/20 -2028/29) for net housing completions on small sites (below 0.25 hectares in size)

Table 4.2 - 10 year targets (2019/20 - 2028/29) for net housing completions on small sites (below 0.25 hectares in size)

Table 4.2 shows the ten year housing targets on small sites (under a quarter of a hectare) for each of London's planning authorities.

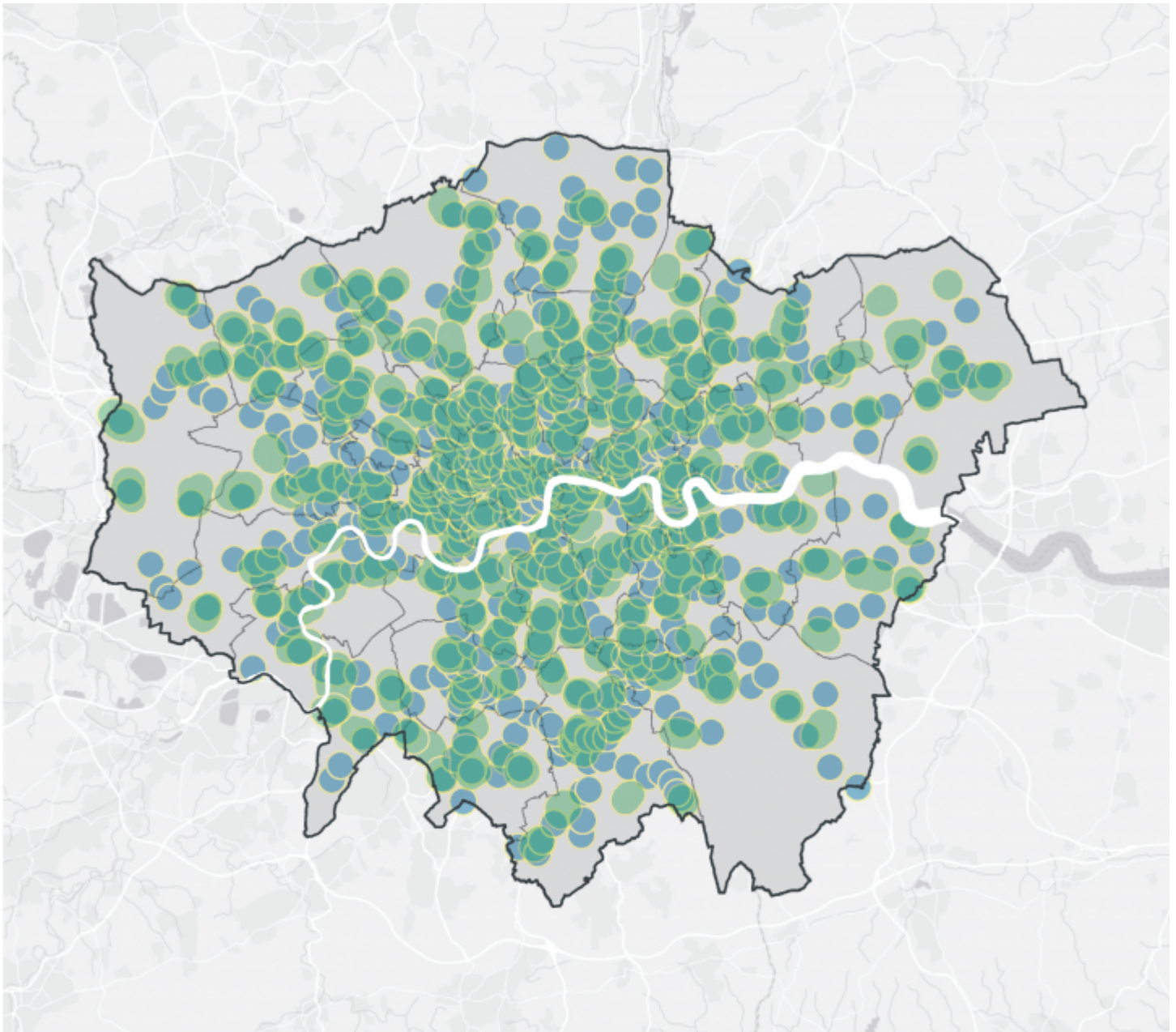
Planning Authority	Ten-year housing target
Barking & Dagenham	1,990
Barnet	4,340
Bexley	3,050
Brent	4,330
Bromley	3,790
Camden	3,280
City of London	740
Croydon	6,410
Ealing	4,240
Enfield	3,530

Planning Authority	Ten-year housing target
Greenwich	3,010
Hackney	6,580
Hammersmith & Fulham	2,590
Haringey	2,600
Harrow	3,750
Havering	3,140
Hillingdon	2,950
Hounslow	2,800
Islington	4,840
Kensington & Chelsea	1,290
Kingston	2,250
Lambeth	4,000
Lewisham	3,790
London Legacy Development Corporation	730
Merton	2,610
Newham	3,800

Planning Authority	Ten-year housing target
Old Oak Park Royal Development Corporation	60
Redbridge	3,680
Richmond	2,340
Southwark	6,010
Sutton	2,680
Tower Hamlets	5,280
Waltham Forest	3,590
Wandsworth	4,140
Westminster	5,040
Total	119,250

Figure 4.3 - Proximity to town centres and stations

Figure 4.3 - Proximity to town centres and stations



Proximity to town centres and stations

- 800m distance to a underground, rail, DLR or tram station
- 800m distance to a district, major, metropolitan or international town centre

Source: Transport for London (TfL)

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4.2.5 The small sites target represents a small amount of the potential for intensification in existing residential areas, particularly in Outer London, therefore, they should be treated as minimums. To proactively increase housing provision on small sites through incremental development, Boroughs are encouraged to prepare **area-wide housing design codes**, in particular, for the following forms of development: residential conversions,

redevelopment, extensions of houses and/or ancillary residential buildings.

4.2.6 The Mayor will set out design principles for housing developments on small sites across London in **design guidance**, which boroughs should draw on and supplement when preparing housing design codes. Housing design codes can be combined with local development orders, where appropriate. As a key purpose of housing design codes is to provide clarity and certainty for potential applicants, boroughs should support design proposals which accord with any published housing design code.

4.2.7 When assessing the benefits of additional housing provision, boroughs should recognise that schemes that provide relatively low numbers of new homes play an important cumulative role in helping to deliver housing targets alongside larger developments, subject to the scheme in question making the most efficient use of land.

4.2.8 Where existing houses are redeveloped or subdivided, boroughs may require the provision of **family-sized units** (3 bed + units) providing sufficient design flexibility is provided to allow the existing footprint of a house to be enlarged in order to meet this requirement. Where the amalgamation of separate flats into larger homes is leading to the sustained loss of homes and is not meeting the identified requirements of large families, boroughs are encouraged to resist this process.

4.2.9 Homes located on the ground floor on minor developments should meet the requirements of [Policy D7 Accessible housing](#). Homes that are not on the ground floor on minor developments can comply with the M4(1) standard, which does not require step-free access, where provision of step-free access would be unfeasible.

4.2.10 Impacts on existing biodiversity or **green space**, as a result of minor housing developments, should be minimised and mitigated through measures such as returning hard standing to green space, the installation of green roofs and green walls, or the provision of landscaping that facilitates sustainable urban drainage in order to achieve the **principle of no net loss** of overall green cover.

4.2.11 Small sites can be particularly suitable for well-designed **community-led housing**^[49] projects. Boroughs should support such projects where these developments are integrated with existing neighbourhoods and support mixed and inclusive communities.

Policy H3 Meanwhile use as housing

Policy H3 Meanwhile use as housing

A Boroughs are encouraged to identify opportunities for the meanwhile use of sites for housing to make efficient use of land while it is awaiting longer-term development.

4.3.1 Meanwhile uses are a range of temporary uses on land and property awaiting longer-term development. Some vacant land is suitable for meanwhile use as housing. To make efficient use of land that would otherwise be left vacant, boroughs are encouraged to identify sites that are suitable for residential occupation to be used for **meanwhile housing** including land in both public and private ownership. Opportunities for the meanwhile use of land for housing on large-scale phased developments should be identified during the planning process. The meanwhile use of a site for housing does not change the established land use of the site, and this should be made clear in the temporary planning permission. However, meanwhile housing should count towards meeting a borough's housing target.

4.3.2 The meanwhile use of a site must not result in an unacceptable impact on residential amenity or prevent development sites from being brought forward for development in a timely fashion. **Parameters** for any

meanwhile use, particularly its longevity and associated obligations, should be established from the outset and agreed by all parties.

4.3.3 Meanwhile housing can be provided in the form of **precision-manufactured homes**. This can reduce construction time and the units can potentially be reused at a later date on another site.

4.3.4 The **time period** for meanwhile uses will vary and temporary permission may be renewed with consideration for site circumstances. Boroughs should consider starting the time period for the meanwhile use from the date of occupation rather than the date of planning permission, in order to support the viability and delivery of meanwhile housing developments.

Policy H4 Delivering affordable housing

Policy H4 Delivering affordable housing

A The strategic target is for 50 per cent of all new homes delivered across London to be genuinely affordable. Specific measures to achieve this aim include:

- 1) requiring major developments which trigger affordable housing requirements^[50] to provide affordable housing through the threshold approach ([Policy H5 Threshold approach to applications](#))
- 2) using grant to increase affordable housing delivery beyond the level that would otherwise be provided
- 3) all affordable housing providers with agreements with the Mayor delivering at least 50 per cent affordable housing across their development programme, and 60 per cent in the case of strategic partners^[51]
- 4) public sector land^[52] delivering at least 50 per cent affordable housing on each site and public sector landowners with agreements with the Mayor delivering at least 50 per cent affordable housing across their portfolio
- 5) industrial land appropriate for residential use in accordance with [Policy E7 Industrial intensification, co-location and substitution](#), delivering at least 50 per cent affordable housing where the scheme would result in a net loss of industrial capacity.

B Affordable housing should be provided on site. Affordable housing must only be provided off-site or as a cash in lieu contribution in exceptional circumstances.

4.4.1 **Delivering more genuinely affordable housing**^[53] is a key strategic issue for London. Meeting the need for circa 43,500 affordable homes per year, as established in the 2017 Strategic Housing Market Assessment, will require an increase in affordable housing contributions from all sources. All schemes are expected to maximise the delivery of affordable housing and make the most efficient use of available resources. This is critical to enabling London to meet the housing needs of its workforce and maintain the function and resilience of the city.

4.4.2 Past approaches have not adequately met levels of housing need. To provide greater certainty, speed up the planning process and increase affordable housing delivery, the Mayor is adopting a **threshold approach to viability**. This means that schemes meeting or exceeding the threshold without public subsidy,^[54] and consistent with the requirements in Part C of [Policy H5 Threshold approach to applications](#), are not required to submit viability information. The threshold approach was first introduced in the Mayor's Affordable Housing and Viability SPG. It provides the opportunity to move away from protracted viability debates, create certainty in terms of affordable housing requirements, embed the requirements into land values, and offer a clear incentive for developers to increase affordable housing delivered through the planning system above the level in planning permissions granted in recent years.

4.4.3 Schemes that do not meet this threshold, or require public subsidy to do so, will be required to submit detailed viability information which will be scrutinised and treated transparently. **Comprehensive review mechanisms** will be applied to schemes that do not meet the relevant threshold as set out in Part B of [Policy H5 Threshold approach to applications](#), in order to ensure that affordable housing contributions are increased if viability improves over time.

4.4.4 Schemes are expected to deliver at least the threshold level of affordable housing without **grant or public subsidy** and to increase this proportion through the use of grant and other subsidy, where available. Only where there are clear barriers to delivery and it is fully justified through detailed viability evidence, in line with the methodology and assumptions set out in [Policy H5 Threshold approach to applications](#) and the Mayor's Affordable Housing and Viability SPG, should a lower level of affordable housing be considered.

4.4.5 Given the extent of housing need identified for affordable housing in the 2017 SHMA, the delivery of overall housing targets should not be relied on as a reason for reducing affordable housing delivery or other policy requirements, subject to the approach in this policy, [Policy H5 Threshold approach to applications](#) and [Policy DF1 Delivery of the Plan and Planning Obligations](#). In previous years where there has been a relaxation in affordable housing and other planning requirements this has typically led to higher land values, rather than an increase in housing delivery. Whilst the Plan sets out a clear approach for significantly increasing housing delivery in London, the London SHMA has identified that **65 per cent of London's need is for affordable housing**. Therefore, it is crucial that residential and mixed-use development contributes directly towards the provision of affordable housing and other policy requirements that support the delivery of sustainable development.

4.4.6 The Mayor expects all affordable housing providers to deliver as much affordable housing as possible. **Affordable housing providers with agreements with the Mayor** should deliver at least 50 per cent affordable housing across their development programme and, in the case of strategic partners, 60 per cent. Affordable housing commitments by these providers are not planning requirements that can be applied to individual sites as the commitments are only achievable if the affordable housing providers have the flexibility to use their resources strategically to maximise affordable housing provision across London.

4.4.7 **Public sector land** represents an opportunity to deliver homes that can meet the needs of London's essential workers who maintain the function and resilience of the city. The Mayor expects that residential proposals on public land should deliver at least 50 per cent affordable housing on each site. Public sector landowners with an agreement with the Mayor may provide 50 per cent affordable housing across a portfolio of sites provided at least 35 per cent affordable housing is provided on each site, with the required affordable housing tenure split on the initial 35 per cent.

4.4.8 Most **industrial land** fulfils a vital role in supporting London's economy. However, it is occasionally deemed appropriate for residential uses. In these circumstances, there is potential for a significant difference in value between the two uses. The Mayor expects that residential proposals on industrial land should deliver at least 50 per cent affordable housing where the scheme would result in a net loss of industrial capacity.

4.4.9 Affordable housing should be delivered on site to help deliver mixed and inclusive communities providing choice to a range of Londoners. Affordable housing should only be accepted as an **off-site contribution** in exceptional circumstances where it can be robustly demonstrated that affordable housing cannot be delivered on-site or where an off-site contribution would better deliver mixed and inclusive communities than an on-site contribution.

4.4.10 **Cash in lieu** contributions should be used in even more limited circumstances,^[55] and only where there is detailed evidence to demonstrate that on-site affordable housing delivery is not practical, off-site options have

been explored but are not acceptable and that accepting a cash in lieu contribution will not be detrimental to the delivery of mixed and inclusive communities.

4.4.11 In each case, the approach must result in **additional affordable homes**, meaning the funding should not be used for affordable units that would otherwise have been delivered. It should also take account of the fact that all sites are expected to deliver at least the threshold level of affordable housing and any cash in lieu or off-site contribution should deliver units in addition to this.

4.4.12 Cash in lieu contributions should be held in a **separate affordable housing pot**, where resources can be pooled and ring-fenced to enable greater, or more appropriate, new provision to be made off-site. This should either be on an identified site or as part of an agreed programme, in compliance with the statutory tests for use of planning obligations.^[56]

4.4.13 To avoid incentivising off-site provision or in lieu contributions, agreements for this should provide no financial benefit to the applicant relative to on-site provision and should include **review mechanisms** in line with the Viability Tested Route. The policy target for schemes delivering off-site affordable housing or in lieu contributions is 50 per cent affordable housing provided across the main site and any linked sites when considered as a whole.

4.4.14 Boroughs must have in place **monitoring arrangements** to ensure that the additional homes are delivered. As per [Policy H7 Monitoring of affordable housing](#), the Mayor requires information on off-site and cash in lieu delivery as part of the data collection for the Annual Monitoring Report.

Policy H5 Threshold approach to applications

Policy H5 Threshold approach to applications

A The threshold approach applies to major development proposals which trigger affordable housing requirements (see paragraph 4.5.15 for scheme types with bespoke approaches).

B The threshold level of affordable housing on gross residential development is initially set at:

- 1) a minimum of 35 per cent; or
- 2) 50 per cent for public sector land where there is no portfolio agreement with the Mayor; or
- 3) 50 per cent for Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites appropriate for residential uses in accordance with [Policy E7 Industrial intensification, co-location and substitution](#) where the scheme would result in a net loss of industrial capacity.

C To follow the Fast Track Route of the threshold approach, applications must meet all the following criteria:

- 1) meet or exceed the relevant threshold level of affordable housing on site without public subsidy
- 2) be consistent with the relevant tenure split (see [Policy H6 Affordable housing tenure](#))
- 3) meet other relevant policy requirements and obligations to the satisfaction of the borough and the Mayor where relevant
- 4) demonstrate that they have taken account of the strategic 50 per cent target in [Policy H4 Delivering affordable housing](#) and have sought grant to increase the level of affordable housing.

D Developments which provide 75 per cent or more affordable housing may follow the Fast Track Route where the tenure mix is acceptable to the borough or the Mayor where relevant.

E Fast tracked applications are not required to provide a viability assessment at application stage. To ensure an applicant fully intends to build out the permission, the requirement for an Early Stage Viability Review will be triggered if an agreed level of progress on implementation is not made within two years of the permission being granted (or a period agreed by the borough).

F Where an application does not meet the requirements set out in Part C it must follow the Viability Tested Route. This requires detailed supporting viability evidence to be submitted in a standardised and accessible

format as part of the application:

1) the borough, and where relevant the Mayor, should scrutinise the viability information to ascertain the maximum level of affordable housing using the methodology and assumptions set out in this Plan and the Affordable Housing and Viability SPG

2) viability tested schemes will be subject to:

a) an Early Stage Viability Review if an agreed level of progress on implementation is not made within two years of the permission being granted (or a period agreed by the borough)

b) a Late Stage Viability Review which is triggered when 75 per cent of the units in a scheme are sold or let (or a period agreed by the borough)

c) Mid Term Reviews prior to implementation of phases for larger phased schemes.

G Where a viability assessment is required to ascertain the maximum level of affordable housing deliverable on a scheme, the assessment should be treated transparently and undertaken in line with the Mayor's Affordable Housing and Viability SPG.

Scheme amendments – Section 73 applications and deeds of variations

H For schemes that were approved under the Fast Track Route, and schemes determined before the threshold approach that would have qualified for the Fast Track Route, any subsequent applications to vary the consent will not be required to submit viability information, providing the resultant development continues to meet the relevant threshold and the criteria in Part C.

I For schemes where the original permission did not meet the threshold or required tenure split, including schemes determined before the threshold approach that would not have qualified for the Fast Track Route, viability information will be required where an application is submitted to vary the consent, and the borough or the Mayor where relevant, consider this would materially alter the economic circumstances of the scheme. Such cases will be assessed under the Viability Tested Route.

J Any proposed amendments that result in a reduction in affordable housing, affordability or other obligations or requirements of the original permission should be rigorously assessed under the Viability Tested Route. In such instances, a full viability review should be undertaken that reconsiders the value, costs, profit requirements and land value of the scheme.

K The Mayor should be consulted on any proposed amendments on referable schemes that change the level of affordable housing from that which was secured through the original planning

4.5.1 Applicants are strongly encouraged to take the **Fast Track Route** by providing the threshold level of affordable housing and meeting other Development Plan requirements to the satisfaction of the borough.

4.5.2 The **Viability Tested Route** will assess the maximum level of affordable housing that a scheme can deliver in cases where the threshold level of affordable housing cannot be met and where fixed or minimum affordable housing requirements are not in place. It is possible that, via the viability assessment using the detailed methodology in the SPG, a greater affordable housing contribution than the threshold level will be found to be viable and thus will be required.

4.5.3 The percentage of affordable housing on a scheme should be measured in **habitable rooms**^[57] to ensure that a range of sizes of affordable homes can be delivered, including family-sized homes. Habitable rooms in affordable and market elements of the scheme should be of comparable size when averaged across the whole development. If this is not the case, it may be more appropriate to measure the provision of affordable housing using **habitable floorspace**.^[58] Applicants should present affordable housing figures as a percentage of total residential provision in habitable rooms, units and floorspace to enable comparison.

4.5.4 The thresholds set out in this policy have been informed by viability testing. This approach seeks to **embed affordable housing requirements into land values** and create consistency and certainty across London. The 35 per cent threshold level will be monitored and reviewed in 2021 to determine whether this threshold should be

increased. Any changes to the threshold will be consulted on as part of an updated Affordable Housing and Viability SPG or through a focused review of the London Plan.

4.5.5 The Mayor recognises that **public sector land** can play a significant role in meeting affordable housing need. The threshold for public sector land (land that is owned or in use by a public sector organisation, or company or organisation in public ownership, or land that has been released from public ownership and on which housing development is proposed) is set at 50 per cent to be considered under the Fast Track Route. This is because these sites represent an opportunity to meet a range of objectives, including making better use of sites, improving services and delivering more affordable housing. Moreover, as public assets, these landholdings should be used to deliver development and outcomes that are most needed by – and matter most to – the public.

4.5.6 Public sector land also represents an opportunity to deliver homes that can meet the needs of London's essential workers who maintain the function and resilience of the city, such as those working in health, fire, police, transport and support services. Where there is an agreement with the Mayor to deliver at least 50 per cent across the portfolio of sites, then the **35 per cent threshold should apply to individual sites**.

4.5.7 Given the difference in values between **industrial** and residential development, residential development proposals that would result in a net loss of industrial floorspace capacity^[59] on Strategic Industrial Locations, Locally Significant Industrial Sites or Non-Designated Industrial Sites are expected to provide at least 50 per cent affordable housing to follow the Fast Track Route. If this is not possible, detailed viability evidence will be needed to justify a lower level of affordable housing.

4.5.8 Where the level of affordable housing offered meets the criteria of Part C, this should normally be considered as meeting the maximum amount of affordable housing which can be delivered through Section 106 (subject to an Early Stage Review Mechanism).

4.5.9 Where a scheme meets the threshold level of affordable housing, but the borough, and/or the Mayor where relevant, are not satisfied that the other relevant Development Plan requirements and or obligations for the scheme are met, then the applicant can be asked to provide detailed viability information and be required to follow the **Viability Tested Route**.

4.5.10 To incentivise schemes with a high proportion of genuinely affordable housing, schemes that propose **75 per cent or more genuinely affordable housing** may be considered under the Fast Track Route whatever the affordable housing tenure mix, where supported by the borough and, where relevant, the Mayor. This should be determined on a case-by-case basis having regard to the housing need met by the scheme and the level of public subsidy involved.

4.5.11 All schemes are expected to maximise the delivery of genuinely affordable housing and make the most efficient use of available resources to achieve this objective. Where **grant or other public subsidy** is available and would increase the proportion of affordable housing, this should be utilised. The higher proportion of affordable housing should be set out in the Section 106 agreement as being subject to grant availability, alongside the proportion viable without grant. Funding will be available on a tariff basis, details of which are set out in the Mayor's Homes for Londoners: Affordable Homes Programme 2016-23.^[60] Applications for schemes of 150 units or more must evidence that they have sought grant to increase levels of affordable housing. Generally, this will be through evidenced discussions with the local authority and registered providers of social housing. Further detail is provided in the Affordable Housing and Viability SPG.

4.5.12 The Mayor has provided detailed **guidance on viability assessments** in his Affordable Housing and Viability SPG. This is a material planning consideration for planning applications in London. The Mayor will follow this guidance on referable applications and strongly encourages boroughs to follow it for all applications.

Providing a standardised approach helps streamline the system and reduces uncertainty. The aim of a viability assessment is to establish whether the proposed level of affordable housing and other contributions are the maximum that can be reasonably supported or whether further obligations or a greater level of policy compliance could be achieved.

4.5.13 The **Existing Use Value Plus** (EUV+) approach to determining the benchmark land value is based on the current use value of a site plus an appropriate site premium. The benefit of this approach is that it clearly identifies the uplift in value arising from the grant of planning permission because it enables comparison with the value of the site without planning permission. The EUV+ approach is usually the most appropriate approach for planning purposes. It can be used to address the need to ensure that development is sustainable in terms of the NPPF and Development Plan requirements, and in most circumstances the Mayor will expect this approach to be used. An alternative approach should only be considered in exceptional circumstances which must be robustly justified by the applicant and/or the borough in line with the Mayor's SPG.

4.5.14 **Viability Review mechanisms** should be applied to all viability tested applications at early and late stages in the development process (and mid-term reviews in the case of longer phased schemes) to ensure that affordable housing delivery is maximised as a result of any future improvement in viability. Further guidance is provided in the Affordable Housing and Viability SPG.

4.5.15 Some schemes are not suitable to follow the Fast Track Route. These schemes must follow the **Viability Tested Route**. This includes:

- applications which propose affordable housing **off-site or a cash in lieu contribution** (as set out above)
- applications for schemes that involve the **demolition of existing affordable dwellings** which should follow the approach set out in [Policy H8 Loss of existing housing and estate redevelopment](#)
- schemes claiming the **vacant building credit**.

4.5.16 [Policy H11 Build to Rent](#), [Policy H13 Specialist older persons housing](#), [Policy H15 Purpose-built student accommodation](#) and [Policy H16 Large-scale purpose-built shared living](#) set out specific affordable housing approaches in those types of development.

Policy H6 Affordable housing tenure

Policy H6 Affordable housing tenure

A The following split of affordable products should be applied to residential development:

- 1) a minimum of 30 per cent low-cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes
- 2) a minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared ownership
- 3) the remaining 40 per cent to be determined by the borough as low-cost rented homes or intermediate products (defined in Part A1 and Part A2) based on identified need.

B To follow the Fast Track Route the tenure of 35 per cent of homes must meet the requirements set out in Part A. The Fast Track Route is also available to applicants that elect to provide low-cost rented homes in place of intermediate homes, provided the relevant threshold level is reached. Where affordable homes are provided above 35 per cent, their tenure is flexible, provided the homes are genuinely affordable (defined in Part A1 and Part A2), and should take into account the need to maximise affordable housing provision, along with any preference of applicants to propose a particular tenure.

4.6.1 The 2017 SHMA shows London's significant need for low-cost rental housing; however, the current national funding programme is focused on intermediate products which limits the Mayor's ability to require higher levels of low-cost rented accommodation. The **tenure splits** set out in this policy provide sufficient flexibility to be tailored to meet local needs as well as ensuring that new development delivers a minimum level of low-cost rented accommodation and intermediate accommodation, contributing to the delivery of mixed and inclusive communities. The minimums in Part A1 and Part A2 will be monitored and reviewed in 2021 and, if necessary, updated through Supplementary Planning Guidance, taking account of future affordable housing funding agreements.

4.6.2 There is a presumption that the **40 per cent to be decided by the borough** will focus on Social Rent and London Affordable Rent given the level of need for this type of tenure across London. However, it is recognised that for some boroughs a broader mix of affordable housing tenures will be more appropriate either because of viability constraints or because they would deliver a more mixed and inclusive community. The appropriate tenure split should be determined through the Development Plan process or through supplementary guidance.

4.6.3 The Mayor is committed to delivering genuinely affordable housing. Within the broad definition of affordable housing, the Mayor's **preferred affordable housing tenures** are:

- homes based on social rent levels, including Social Rent and London Affordable Rent
- London Living Rent
- London Shared Ownership.

These are described in more detail below.

4.6.4 **London Affordable Rent** and Social Rent homes are for households on low incomes where the rent levels are based on the formulas in the Social Housing Regulator's Rent Standard Guidance. The rent levels for Social Rent homes use a capped formula and London Affordable Rent homes are capped at benchmark levels published by the GLA. Rents for both are significantly less than 80 per cent of market rents, which is the maximum for Affordable Rent permitted in the NPPF. More detail is contained within the Mayor's Homes for Londoners Affordable Homes Programme funding guidance^[61]. These homes will be allocated in accordance with need (based on the borough's allocations policy).

4.6.5 **London Living Rent** (LLR) offers Londoners on average incomes a lower rent, enabling them to save for a deposit. The Mayor is introducing LLR as an intermediate affordable housing product with low rents that vary by ward across London. Where funded by the Greater London Authority, LLR will be a Rent to Buy product, with sub-market rents on time-limited tenancies, which will help households on average income levels to save for a deposit. As London Living Rent can be a step to homeownership, it can be considered as an affordable homeownership product.^[62]

4.6.6 **London Shared Ownership** is an intermediate ownership product which allows London households who would struggle to buy on the open market, to purchase a share in a new home and pay a low rent on the remaining, unsold, share.

4.6.7 **Other affordable housing products** may be acceptable if, as well as meeting the broad definition of affordable housing, they also meet the London Housing Strategy^[63] definition of genuinely affordable housing and are considered by the borough to be genuinely affordable.

4.6.8 Currently all intermediate rented products such as London Living Rent and Discounted Market Rent should be affordable to households on incomes of up to £60,000. Intermediate ownership products such as London

Shared Ownership and Discounted Market Sale (where they meet the definition of affordable housing), should be affordable to households on incomes of up to £90,000. Further information on the **income caps** and how they are applied can be found in the Annual Monitoring Report. The caps will be reviewed and updated where necessary in the Annual Monitoring Report.

4.6.9 For dwellings to be considered affordable, **annual housing costs**, including mortgage (assuming reasonable interest rates and deposit requirements), rent and service charge, should be no greater than 40 per cent of net household income, based on the household income limits set out above. Boroughs should seek to ensure that intermediate provision provides for households with a range of incomes below the upper limit. For London Living Rent – please refer to the rent setting guidance provided on the GLA website.

4.6.10 In addition to the income caps, boroughs may set **other eligibility criteria** for the intermediate units, reflecting local housing need. However, any local criteria including income caps below the maximum amounts set out above, should automatically cascade out to the London-wide eligibility criteria within three months to ensure that units are not left vacant. Re-sales and re-lets should be available to those meeting the London-wide income caps and not be restricted by local eligibility criteria. Homes should be made available through the new Homes for Londoners online portal.

4.6.11 To follow the Fast Track Route, the tenure of 35 per cent of homes must adhere to the **tenure split** set out in [Policy H6 Affordable housing tenure](#). Where a scheme is delivering more than 35 per cent, the tenure of the additional affordable housing is flexible and should take into account the need to maximise affordable housing provision along with any preference of applicants to propose a particular tenure.

4.6.12 If, when assessing a scheme under the Viability Tested Route, the evidence demonstrates that the threshold cannot be met, the affordable housing tenure split in [Policy H6 Affordable housing tenure](#) should be considered as the starting point for negotiations. It will, however, be for the borough, and the Mayor where relevant, to decide if there should be a greater number of affordable homes, or fewer homes at a deeper discount. Therefore Section 106 agreements should stipulate the **tenure mix** for a scheme and this should be consistent with the assumptions in the viability assessment.

Policy H7 Monitoring of affordable housing

Policy H7 Monitoring of affordable housing

A Boroughs are required to have clear monitoring processes to ensure that the affordable housing secured on or off site is delivered and recorded in line with the Section 106 agreement.

B Monitoring processes should ensure that any cash in lieu payments are used to deliver additional affordable housing.

C Boroughs should ensure that where a review mechanism is triggered, it is implemented and the number of extra homes delivered, or cash in lieu secured, is recorded.

D Boroughs must publish monitoring information on Parts A – C annually to ensure transparency in the planning process and so the public know how funds are being spent. This information should be shared with the GLA so it can be part of the annual monitoring process.

4.7.1 [Policy H4 Delivering affordable housing](#), [Policy H5 Threshold approach to applications](#) and [Policy H6 Affordable housing tenure](#) set out the approach to affordable housing delivery in London. It is crucial that the implementation of Section 106 agreements and the outcome of review mechanisms are monitored. [Policy H7 Monitoring of affordable housing](#) will ensure that boroughs have **monitoring processes** in place to implement Section 106 agreements and that the information is in the public domain.

Policy H8 Loss of existing housing and estate redevelopment

Policy H8 Loss of existing housing and estate redevelopment

A Loss of existing housing should be replaced by new housing at existing or higher densities with at least the equivalent level of overall floorspace.

B Loss of hostels, staff accommodation and shared and supported accommodation that meet an identified housing need should be satisfactorily re-provided to an equivalent or better standard.

Demolition and replacement of affordable housing

C Before considering the demolition and replacement of affordable homes, boroughs, housing associations and their partners should always consider alternative options first. They should balance the potential benefits of demolition and rebuilding of homes against the wider social and environmental impacts and consider the availability of Mayoral funding and any conditions attached to that funding.

D Demolition of affordable housing, including where it is part of an estate redevelopment programme, should not be permitted unless it is replaced by an equivalent amount of affordable housing floorspace. Affordable housing that is replacing social rent housing must be provided as social rent housing where it is facilitating a right of return for existing tenants. Where affordable housing that is replacing social rent housing is not facilitating a right of return, it may be provided as either social rent or London Affordable Rent housing. Replacement affordable housing should be integrated into the development to ensure mixed and inclusive communities.

E All development proposals that include the demolition and replacement of affordable housing are required to follow the Viability Tested Route and should seek to provide an uplift in affordable housing in addition to the replacement affordable housing floorspace

4.8.1 It is important that existing homes of all tenures are well-maintained and are of good quality as these will continue to house the majority of Londoners. However, the **redevelopment and intensification** of London's existing housing has played, and will continue to play, an important role in the evolution of London. The benefits of development proposals that involve the demolition and replacement of existing homes should be balanced against any potential harm.

4.8.2 Parts C, D and E of this policy concern the **redevelopment of social housing estates**. This will generally occur as part of a wider process of estate regeneration, some elements of which fall beyond the remit of the London Plan. The Mayor's Good Practice Guide to Estate Regeneration provides detailed guidance for assessing appropriate approaches to estate regeneration. In particular, only once the objectives of an estate regeneration scheme have been formulated in consultation with residents, should the physical interventions required to achieve them be considered. The approach taken will differ from project to project, depending on factors that include: the existing characteristics and quality of an estate; the financial resources available; any regeneration or redevelopment plans that affect the wider area; and the wishes of residents and other stakeholders.

4.8.3 The range of physical interventions that may be required to support the delivery of estate regeneration projects include: repairs to, and refurbishment of, existing homes; building new homes on 'infill' sites; and demolition and redevelopment. Different schemes will require different interventions, or a combination of some or all of the above – there is no 'one size fits all' approach. In the Good Practice Guide, the Mayor is clear that when considering options to deliver estate regeneration projects, boroughs, housing associations and their partners should **always consider alternative options to demolition first**. They should balance the potential benefits of demolishing and rebuilding homes against the wider social and environmental impacts of this option.

4.8.4 Regardless of whether an estate regeneration project includes the demolition and replacement of affordable homes, it is important that all such schemes are delivered with existing and new residents and communities in

mind. All proposals for such schemes should take account of the requirements of the **Mayor's Good Practice Guide** to Estate Regeneration (2018) and the requirement for a ballot of residents when accessing Mayoral funding for schemes that involve demolition.

4.8.5 Estate regeneration that involves the loss and replacement of affordable housing should deliver an **uplift in affordable housing** wherever possible. Therefore, all such estate regeneration schemes must go through the Viability Tested Route to demonstrate they have maximised the delivery of any additional affordable housing. For the purposes of this policy, existing affordable housing floorspace includes both occupied and vacant floorspace regardless of the current condition of the stock.

4.8.6 Where an affordable housing provider is redeveloping an estate as part of a **wider programme** then it may be possible to re-provide a different mix of affordable housing on the estate (taking account of the wishes of people who want to return to the estate) if the overall level of provision is maintained across the programme and where the approach is acceptable to the borough and, where relevant, the Mayor (further guidance is provided in the Affordable Housing and Viability SPG). The Mayor will closely scrutinise proposals and will only agree to them where he is certain that the housing is being genuinely re-provided and that no better option is available. Given the impact of estate regeneration schemes on existing residents, it is particularly important that information about the viability of schemes is available to the public even where a high level of affordable housing is being delivered

Policy H9 Ensuring the best use of stock

Policy H9 Ensuring the best use of stock

A Boroughs should promote efficient use of existing housing stock to reduce the number of vacant and under-occupied dwellings.

B The Mayor will support boroughs with identified issues of new homes being left empty, sometimes known as 'buy to leave' properties, to put in place mechanisms which seek to ensure new homes are occupied.

C Boroughs should take account of the impact on housing stock and local housing need when considering applications for a change of use from housing to short stay holiday rental accommodation to be used for more than 90 days a year.

D Boroughs should take account of the role of houses in multiple occupation (HMOs) in meeting local and strategic housing needs. Where they are of a reasonable standard they should generally be protected.

4.9.1 Given the pressure for housing and competition for land in London for a variety of uses, it is important to ensure that new homes meet an identified need and are not left vacant long-term (over six months). While the number of **long-term vacant properties** in London has decreased significantly, and is now below one per cent of the housing stock,^[64] to make best use of existing stock, where vacant properties are identified, local authorities should investigate why the units are vacant and where possible seek to bring them back into use. Boroughs should levy the council tax empty homes premium to incentivise occupation of vacant properties. Boroughs are encouraged to use all the tools at their disposal such as Empty Dwelling Management Orders to bring long-term vacant stock back into use as affordable housing. Boroughs should also ensure a range of new homes are provided that meet the needs of those who wish to downsize, and that tenants in affordable homes are supported to downsize where they wish to do so.

4.9.2 A recent phenomenon in some parts of London has seen a proportion of new homes being purchased by investors who rely solely on capital appreciation for their returns. New homes purchased for this purpose are sometimes known as '**buy to leave**'. Although GLA evidence suggests this practice is not particularly widespread, where it does happen it reduces the amount of new housing stock being occupied by households in

need. Where the practice is widespread in a new building it can also negatively affect the provision of services to tenants.

4.9.3 It is unlawful for homes in greater London to be used **as short-term holiday rented accommodation** for a cumulative period of more than 90 days a year without seeking planning permission.^[65] The use of dwellings as short-term holiday rentals can have a detrimental impact on neighbours' residential amenity and community cohesion in the wider area where concentrated in a particular location. The use also reduces the supply of homes available for people to live in.

4.9.4 **Houses in multiple occupation** (HMOs) are an important part of London's housing offer, reducing pressure on other elements of the housing stock. Their quality can, however, give rise to concern. Where they are of a reasonable standard they should generally be protected and the net effects of any loss should be reflected in Annual Monitoring Reports. In considering proposals which might constrain this provision, including Article 4 Directions affecting changes between Use Classes C3 and C4, boroughs should take into account the strategic as well as local importance of HMOs.

Policy H10 Housing size mix

Policy H10 Housing size mix

A Schemes should generally consist of a range of unit sizes. To determine the appropriate mix of unit sizes in relation to the number of bedrooms for a scheme, applicants and decision-makers should have regard to:

- 1) robust local evidence of need where available or, where this is not available, the range of housing need and demand identified by the 2017 London Strategic Housing Market Assessment
- 2) the requirement to deliver mixed and inclusive neighbourhoods
- 3) the need to deliver a range of unit types at different price points across London
- 4) the mix of uses in the scheme
- 5) the range of tenures in the scheme
- 6) the nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity
- 7) the aim to optimise housing potential on sites
- 8) the ability of new development to reduce pressure on conversion, sub-division and amalgamation of existing stock
- 9) the need for additional family housing and the role of one and two bed units in freeing up existing family housing.

B For low-cost rent, boroughs should provide guidance on the size of units required (by number of bedrooms) to ensure affordable housing meets identified needs. This guidance should take account of:

- 1) evidence of local housing needs, including the local housing register and the numbers and types of overcrowded and under-occupying households
- 2) other criteria set out in Part A, including the strategic and local requirement for affordable family accommodation
- 3) the impact of welfare reform
- 4) the cost of delivering larger units and the availability of grant.

4.10.1 The 2017 London Strategic Housing Market Assessment (SHMA) estimated the **unit size mix of new homes** required to meet London's current and projected housing needs using three different scenarios, the results of which are set out in the SHMA report addendum. The main factors influencing this size mix include the projected growth in different household types, assumptions about under-occupation, and the substantial number

of overcrowded households in London, whose needs can be addressed by providing family-sized homes but also smaller homes for concealed households to move into. Boroughs can draw on the scenarios in the SHMA to understand housing mix requirements or to inform local assessments. While the SHMA identifies the full range of needs between 2016 and 2041, boroughs may wish to prioritise meeting the most urgent needs earlier in the Plan period, which may mean prioritising low-cost rented units of particular sizes.

4.10.2 [Policy H10 Housing size mix](#) sets out all the issues that applicants and boroughs should take into account when considering the **mix of homes on a site**. Boroughs are encouraged to set out the preferred housing size mix (for all tenures) as part of a site allocation, ensuring that the housing size mix is determined in accordance with Parts A and B. It should be noted that in terms of delivering mixed and inclusive communities, a neighbourhood may currently have an over-concentration of a particular size of unit and a new development could help redress the balance.

4.10.3 Well-designed **one- and two- bedroom units** in suitable locations can attract those wanting to downsize from their existing homes, and this ability to free up existing family stock should be considered when assessing the unit mix of a new build development.

4.10.4 **One-bedroom units** play a very important role in meeting housing need, and provision in new developments can help reduce the pressure to convert and subdivide existing larger homes. However, one-person and one-bed units are the least flexible unit type so schemes should generally consist of a range of unit sizes.

4.10.5 As part of their housing strategy functions, local authorities are required to have an understanding of housing needs in their area (for example, as set out in a Strategic Housing Market Assessment) and this, along with their local Housing Register, will provide the evidence for the **size of low-cost rented homes** (in terms of number of bedrooms) required to meet identified need. Combined with the considerations set out in Part A, this information should inform local policy or guidance about the size (in terms of number of bedrooms) of low-cost rented units expected on a development. This clarity about the unit size mix for affordable homes, taken together with the threshold approach to affordable housing, will help ensure that applicants and landowners understand the cost implications of overall affordable housing requirements when formulating development proposals and purchasing land. Boroughs should take account of the availability of grant funding when producing guidance or policy on this issue.

4.10.6 The impact of this policy on the mix of homes in terms of numbers of bedrooms approved across London will be carefully **monitored and assessed** as part of the Annual Monitoring Report process. This will highlight any adverse impacts and identify if any revisions are necessary to the policy.

Policy H11 Build to Rent

Policy H11 Build to Rent

A Where a development meets the criteria set out in Part B, the affordable housing offer can be solely Discounted Market Rent (DMR) at a genuinely affordable rent, preferably London Living Rent level. DMR homes must be secured in perpetuity.

B To qualify as a Build to Rent scheme the following criteria must be met:

- 1) the development, or block or phase within the development, has at least 50 units^[66]
- 2) the homes are held as Build to Rent under a covenant for at least 15 years^[67]
- 3) a clawback mechanism is in place that ensures there is no financial incentive to break the covenant
- 4) all the units are self-contained and let separately
- 5) there is unified ownership and unified management of the private and Discount Market Rent elements of the scheme

- 6) longer tenancies (three years or more) are available to all tenants. These should have break clauses for renters, which allow the tenant to end the tenancy with a month's notice any time after the first six months
- 7) the scheme offers rent and service charge certainty for the period of the tenancy, the basis of which should be made clear to the tenant before a tenancy agreement is signed, including any annual increases which should always be formula-linked
- 8) there is on-site management. This does not necessarily mean full-time dedicated on-site staff, but that all schemes need to have systems for prompt resolution of issues and some daily on-site presence
- 9) providers have a complaints procedure in place and are a member of a recognised ombudsman scheme
- 10) providers do not charge up-front fees of any kind to tenants or prospective tenants, other than deposits and rent-in-advance.

C To follow the Fast Track Route, Build to Rent schemes must deliver at least 35 per cent affordable housing, or 50 per cent where the development is on public sector land or industrial land appropriate for residential uses in accordance with [Policy E7 Industrial intensification, co-location and substitution](#). The Mayor expects at least 30 per cent of DMR homes to be provided at an equivalent rent to London Living Rent with the remaining 70 per cent at a range of genuinely affordable rents.^[68] Schemes must also meet all other requirements of Part C of [Policy H5 Threshold approach to applications](#).

D Where the requirements of C above are not met, schemes must follow the Viability Tested Route set out in [Policy H5 Threshold approach to applications](#). Viability assessments on such schemes should take account of the differences between Build to Rent and Build for Sale development and be undertaken in line with the Affordable Housing and Viability SPG.

E On schemes that propose a proportion of homes as Build to Rent and a proportion for sale to the market, Part A of this policy will only be suitable for the Build to Rent element. The scheme should be assessed as a whole, with affordable housing calculated as a proportion of total habitable rooms across the scheme.

4.11.1 Boroughs should take a **positive approach to the Build to Rent sector** to enable it to better contribute to the delivery of new homes. Build to Rent developments can make a positive contribution to increasing housing supply and are beneficial in a number of ways. They can:

- attract investment into London's housing market that otherwise would not exist
- accelerate delivery on individual sites as they are less prone to 'absorption constraints'^[69] on build-out rates
- deliver more readily across the housing market cycle as they are less impacted by house price downturns
- provide a more consistent and at-scale demand for off-site manufacture
- offer longer-term tenancies and more certainty over long-term availability
- ensure a commitment to, and investment in, place-making through single ownership
- provide better management standards and better quality homes than much of the mainstream private rented sector.

4.11.2 The **Build to Rent Policy** has been developed in recognition of the fact that Build to Rent operates a different model to Build for Sale. Build to Rent relies on income through rent over a number of years, rather than an upfront return on sales (this is often referred to as the 'distinct economics' of the sector). Because of this, in some circumstances Build to Rent may not be able to compete for land on an equal footing with speculative Build for Sale, as it may generate lower initial land values. Longer term, however, Build to Rent is an attractive offer to institutional investors. This policy provides a specific approach to the affordable housing offer, where the aim is to maintain the integrity of the Build to Rent development, with unified ownership and management of all the homes.

4.11.3 Where a developer is proposing a Build to Rent development which meets the definition set out in Part B, the affordable housing offer can be entirely **Discounted Market Rent** (DMR), managed by the Build to Rent

provider and delivered without grant, i.e. entirely through planning gain. As it is not a requirement to be a local authority or a Registered Provider to deliver or manage intermediate rented homes that are delivered without grant, these units can be owned and/or managed by Build to Rent landlords themselves. DMR units should be fully integrated into the development with no differences between DMR and market units.

4.11.4 The Mayor's strong preference is for DMR homes to be let at **London Living Rent** level, to ensure city-wide consistency in approach. Unlike other DMR products, London Living Rent has an advantage in that it has a London-wide electoral mandate, can be consistently understood and applied across London, can earn the public's trust as being genuinely affordable, and will be backed by the GLA who will uprate it every year. DMR should be allocated according to intermediate eligibility criteria, which can include locally defined eligibility criteria. Where the borough has an intermediate or DMR waiting list they should agree with the applicant a process for providing priority access to the DMR units for those on the waiting list.

4.11.5 A threshold level of affordable housing has been introduced to provide an opportunity for Built to Rent schemes to take advantage of the Fast Track Route offered to Build for Sale schemes.

4.11.6 To follow the **Fast Track Route** schemes should provide the threshold level of DMR homes with at least 30 per cent let at London Living Rent levels. The remainder should be provided at a range of genuinely affordable discounts below market rent based on local need to be agreed with the borough and Mayor where relevant. The thresholds and required discounts to market rent will be reviewed and if necessary updated in 2021 through Supplementary Planning Guidance.

4.11.7 Proposals that do not provide 35 per cent affordable housing at the required discount to market rents, or 50 per cent on public sector land, or 50 per cent on industrial land appropriate for residential uses in accordance with [Policy E7 Industrial intensification, co-location and substitution](#) where the scheme would result in a net loss of industrial capacity, or that do not meet the criteria of Part C of [Policy H5 Threshold approach to applications](#) will be subject to the **Viability Tested Route** under Part E of [Policy H5 Threshold approach to applications](#).

4.11.8 In all cases the borough must ensure that the DMR units fully meet the definition of **intermediate housing** and are affordable to those eligible for intermediate rented housing in London, taking into account the Mayor's guidance on this issue.

4.11.9 Schemes that do not meet the Build to Rent definition set out in Part B and that do not provide a 15-year covenant or a clawback agreement in line with the Mayor's guidance will not qualify for the Build to Rent policy approach. These will be treated as **Build for Sale** developments for the purposes of determining affordable housing requirements.

4.11.10 Where justified in a Development Plan, boroughs can require a proportion of affordable housing as **low-cost rent** (social rent or London Affordable Rent see 4.6.4) on Build to Rent schemes in accordance with Part A of [Policy H6 Affordable housing tenure](#). Low-cost rent homes must be managed by a registered provider. The low-cost rent affordable housing would contribute towards the relevant threshold required to meet the fast track route, as set out in paragraph 4.11.6. DMR is an intermediate product and is managed and allocated as such, therefore it is not appropriate to seek DMR at or close to social rent levels.

4.11.11 Schemes that qualify for the Fast Track Route will not need to provide a full viability assessment but will be subject the **15-year covenant and clawback** given the Build to Rent policy approach to affordable housing.^[70]

4.11.12 The majority of DMR products, where they meet the requirements of the Community Infrastructure Levy (CIL) regulations qualify for **mandatory CIL relief**.^[71]

4.11.13 Further **support for Build to Rent** can be given by boroughs through:

- allocating specific sites for Build to Rent or requiring an element of Build to Rent on larger sites in order to accelerate build out of the site
- encouraging long-term institutional investment, working with the GLA and partners
- supporting institutional investment on public sector land, including exploring the use of joint ventures or deferred receipts.

4.11.14 Further guidance on Build to Rent schemes can be found in the Mayor's Affordable Housing and Viability SPG.

Policy H12 Supported and specialised accommodation

Policy H12 Supported and specialised accommodation

A The delivery, retention and refurbishment of supported and specialised housing which meets an identified need should be supported. The form this takes will vary, and it should be designed to satisfy the requirements of the specific use or group it is intended for, whilst providing options within the accommodation offer for the diversity of London's population, including disabled Londoners (see [Policy D7 Accessible housing](#)) within a wider inclusive community setting. Boroughs should undertake assessments of the need for short-term, medium-term and permanent supported and specialised accommodation within their borough. Supported and specialised accommodation could include:

- 1) accommodation for people leaving hostels, refuges and other supported housing, as well as care leavers and people leaving prison to enable them to live independently
- 2) accommodation for young people with support needs
- 3) reablement accommodation (intensive short-term) for people who are ready to be discharged from hospital but who require additional support to be able to return safely to live independently at home, or to move into appropriate long-term accommodation
- 4) accommodation for disabled people (including people with physical and sensory impairments and learning difficulties) who require additional support or for whom living independently is not possible
- 5) accommodation (short-term or long-term) for people with mental health issues who require intensive support
- 6) accommodation for rough sleepers
- 7) accommodation for victims of domestic abuse
- 8) accommodation for victims of violence against women and girls

4.12.1 In undertaking **assessments of the need for supported and specialised accommodation**, existing accommodation options available within boroughs should be audited identifying any shortages in capacity or potential extra capacity within schemes, as well as accommodation in need of refurbishment. Boroughs should then use this information to plan to meet identified need, working with relevant authorities, such as children's and adult services, the NHS and relevant charities. For some groups, need may be best assessed and met on a multi-borough or pan-London basis.

4.12.2 Supported and specialised accommodation can include accommodation that incorporates support for a particular group, sometimes until they are ready to move on. This could potentially be in a hostel setting and is likely to include some communal facilities, but it does not include visitor accommodation.

Policy H13 Specialist older persons housing

Policy H13 Specialist older persons housing

A Boroughs should work positively and collaboratively with providers to identify sites which may be suitable for specialist older persons housing taking account of:

- 1) local housing needs information including data on the local type and tenure of demand, and the indicative benchmarks set out in Table 4.3
- 2) the need for sites to be well-connected in terms of contributing to an inclusive neighbourhood, having access to relevant facilities, social infrastructure and health care, and being well served by public transport
- 3) the increasing need for accommodation suitable for people with dementia.

B Specialist older persons housing provision should deliver:

- 1) affordable housing in accordance with [Policy H4 Delivering affordable housing](#), and [Policy H5 Threshold approach to applications](#)
- 2) accessible housing in accordance with [Policy D7 Accessible housing](#)
- 3) the highest standards of accessible and inclusive design in accordance with [Policy D5 Inclusive design](#)
- 4) suitable levels of safe storage and charging facilities for residents' mobility scooters
- 5) pick up and drop off facilities close to the principal entrance suitable for taxis (with appropriate kerbs), minibuses and ambulances.

4.13.1 While London is a 'young city', it is expected to experience substantial growth in its older population. By 2029 the number of older person households (aged 65 and over) will have increased by 37 per cent, with households aged 75 and over (who are most likely to move into specialist older persons housing) increasing by 42 per cent. Appropriate accommodation is needed to **meet the needs of older Londoners**.

4.13.2 Some older Londoners may wish to **downsize**, move closer to family or friends or be closer to services and facilities, but they may not want to move into specialist older persons housing. Boroughs and applicants should recognise the important role that new, non-specialist residential developments play in providing suitable and attractive accommodation options for older Londoners, particularly developments in or close to town centres, near to relevant facilities and in areas well-served by public transport.

4.13.3 In some circumstances, older people may choose to seek alternative, more tailored **specialist accommodation**. There is a range of specialist accommodation options providing a different offer and level of care.

4.13.4 This policy contains requirements for 'specialist older person housing'. It does not apply to accommodation that has the following attributes, which is considered '**care home accommodation**':

- personal care and accommodation are provided together as a package with no clear separation between the two
- the person using the service cannot choose to receive personal care from another provider
- people using the service do not hold occupancy agreements such as tenancy agreements, licensing agreements, licences to occupy premises, or leasehold agreements or a freehold
- likely CQC-regulated activity^[72] will be 'accommodation for persons who require nursing or personal care'

4.13.5 Specialist older persons housing that does not provide an element of care but is specifically designed and managed for older people (minimum age of 55 years) is covered by the requirements of this policy.

4.13.6 In addition to this, the requirements of this policy also cover specialist older persons housing that has the following attributes:

- i. where care is provided or available;

- a. there are separate contracts/agreements in place for the personal care and accommodation elements, and/or
 - b. residents have a choice as to who provides their personal care
- ii. housing is occupied under a long lease or freehold, or a tenancy agreement, licensing agreement, license to occupy premises or a leasehold agreement
 - iii. housing provided is specifically designed and managed for older people (minimum age of 55 years)
 - iv. likely CQC-regulated activity^[73] will be ‘personal care’

4.13.7 Where a development does not meet the attributes of ‘specialist older persons housing’ as defined by paragraph 4.13.6 or the attributes of ‘care home accommodation’ as defined by paragraph 4.13.4, then the general housing policies in the Plan apply.

4.13.8 Research^[74] has identified a **total potential demand** in London across all tenures for just over 4,000 specialist older persons units a year between 2017 and 2029. Table 4.3 provides annual borough benchmarks for specialist older persons housing 2017-2029.

4.13.9 These benchmarks are designed to inform **local level assessments** of specialist housing need. Boroughs should plan proactively to meet identified need for older persons accommodation.

4.13.10 Looking beyond 2029 to 2041, the number of older persons households will continue to increase, although at a slightly slower rate than from 2017 to 2029.

4.13.11 The fast track route for affordable housing delivery is available for specialist older persons housing providers. Where an application does not meet the requirements set out in Part C of [Policy H5 Threshold approach to applications](#) it must follow the Viability Tested Route. However, the **tenure split** requirements for specialist older persons housing may differ to those set out in [Policy H6 Affordable housing tenure](#). Where they do, they should be clearly set out in local Development Plan Documents or supplementary guidance.

4.13.12 Specialist older persons housing developments should also provide a suitable level of **safe storage and charging facilities** for residents’ mobility scooters, to prevent the storage of these in communal corridors or spaces which are not designed or suitable for this purpose.

4.13.13 **Dementia** does not just affect older people; however the total number of older people with dementia in London is forecast to rise from 73,825 in 2017 to 96,939 in 2029, an increase of 31 per cent. Methods of offering support for people with dementia have improved in recent years, as have accommodation options. There is currently no clear evidence identifying the best method of provision of dementia care or accommodation, and it is likely that a range of solutions will continue to develop. Boroughs should consider the need for accommodation for people with dementia within specialist older persons housing developments.

4.13.14 **Care home accommodation** (C2) is an important element of the suite of accommodation options for older Londoners and this should be recognised by boroughs and applicants. To meet the predicted increase in demand for care home beds to 2029, London needs to provide an average of 867 care home beds a year. The provision of Care Quality Commission rated Good or Outstanding care home beds is growing at around 3,525 bed-spaces a year in London and provision of dementia-capable bed spaces at a rate of 2,430 places a year. If the rates of supply and demand remain constant it should be possible to meet potential demand for both care home beds and dementia care home beds.

Table 4.3 - Annual borough benchmarks for specialist older persons housing 2017-2029

Table 4.3 - Annual borough benchmarks for specialist older persons housing 2017-2029

Table 4.3 shows the annual borough benchmarks for specialist older persons housing 2017-2029

London Borough	Annual Benchmarks (units per annum)
Barking & Dagenham	70
Barnet	275
Bexley	145
Brent	230
Bromley	210
Camden	105
City of London	10
Croydon	225
Ealing	200
Enfield	195
Greenwich	105
Hackney	40

London Borough Annual Benchmarks (units per annum)

Hammersmith & Fulham 70

Haringey 110

Harrow 165

Havering 185

Hillingdon 180

Hounslow 135

Islington 60

Kensington & Chelsea 85

Kingston 105

Lambeth 70

Lewisham 100

Merton 105

Newham 85

Redbridge 155

Richmond 155

Southwark 65

London Borough	Annual Benchmarks (units per annum)
Sutton	100
Tower Hamlets	45
Waltham Forest	110
Wandsworth	120
Westminster	100
Total	4,115

Policy H14 Gypsy and traveller accommodation

Policy H14 Gypsy and traveller accommodation

A Boroughs should plan to meet the identified need for permanent gypsy and traveller pitches and must include ten-year pitch targets in their Development Plan Documents.

B Boroughs that have not undertaken a needs assessment since 2008 should use the figure of need for gypsy and traveller accommodation provided in Table 4.4 as identified need for pitches until a needs assessment is undertaken as part of their Development Plan review process.

C Boroughs that have undertaken a needs assessment since 2008 should update this as part of their Development Plan review process.

D Boroughs should undertake an audit of existing local authority provided gypsy and traveller sites and pitches, working with residents occupying these, identifying:

- 1) areas of overcrowding
- 2) areas of potential extra capacity within existing sites
- 3) pitches in need of refurbishment and/or provision of enhanced infrastructure (including utilities, open space and landscaping).

E Boroughs should plan to address issues identified in the audits.

F Boroughs should actively plan to protect existing gypsy and traveller and Travelling Showpeople or circus people pitch or plot capacity, and this should be taken into account when considering new residential developments to ensure inclusive, balanced and cohesive communities are created.

4.14.1 Boroughs should **actively plan for gypsy and travellers' accommodation needs**, and should ensure that new sites are well-connected to social infrastructure, health care, education and public transport facilities, and contribute to a wider, inclusive neighbourhood.

4.14.2 The Mayor will initiate and lead a **London-wide gypsy and traveller accommodation needs assessment**, and will work to support boroughs in finding ways to make provision for gypsy and traveller accommodation.

Until the findings of this new London-wide needs assessment are available for use in Development Plans boroughs should continue to plan to meet the need for permanent gypsy and traveller pitches in accordance with the requirements of [Policy H14 Gypsy and traveller accommodation](#), with a particular focus on Part B.

4.14.3 Insufficient pitch provision can lead to a rise in **unauthorised encampments**, with implications for the health and wellbeing of gypsy and travellers, community cohesion and costs for boroughs.

4.14.4 It is acknowledged that, in addition to permanent sites, suitable **short-term sites** are an important component of the suite of accommodation for gypsy and travellers. Research is currently underway to understand how a ‘negotiated stopping’ approach could work in London as a way of minimising the number of unauthorised encampments.

4.14.5 To assist boroughs in meeting identified need, **Mayoral funding** will be available through the Homes for Londoners Affordable Homes Programme for the provision of new pitches, on a single or multi-borough basis, and for refurbishment of existing pitches identified via an audit of existing pitches.

4.14.6 Where **new gypsy and traveller pitches** are proposed, the pitch and site layouts and the design of service blocks should be accessible and adaptable to ensure they are suitable for a range of users including disabled and older people, and families with young children.

4.14.7 If existing gypsy and traveller pitches or Travelling Showpeople’s or circus people’s sites or plots have to be **re-located or re-provided** within a borough, the new provision should take into account existing family or community groupings and avoid splitting these up wherever possible. Residents occupying pitches, sites or plots should be involved in the planning of any unavoidable re-locations to ensure satisfactory solutions are achieved, and replacement accommodation should be secured before relocation takes place.

4.14.8 The requirements of H14 are in addition to the duties under **section 124 of the Housing and Planning Act 2016**, which require local housing authorities to consider the needs of people residing in or resorting to their district with respect to the provision of both sites on which caravans can be stationed, or places on inland waterways where houseboats can be moored.

Table 4.4 - Need for gypsy and traveller pitches from London Boroughs

Table 4.4 - Need for gypsy and traveller pitches from London Boroughs’ Gypsy and Traveller Accommodation Needs Assessment March 2008, [\[75\]](#) midpoint need figure 2007-2017

Table 4.4 shows the number of additional pitches for gypsies and travellers needed in each London borough during the period from 2007 to 2017, as identified in the London Borough Gypsy and Traveller Accommodation Needs Assessment published in March 2008

Borough	Need
Barking and Dagenham	8

Borough	Need
Barnet	8
Bexley*	N/A
Brent	18
Bromley	74
Camden	4
City of London	0
Croydon	15
Ealing	38
Enfield	1
Greenwich	34
Hackney	24
Hammersmith and Fulham	3
Haringey	32
Harrow	8
Havering	20

Borough	Need
Hillingdon	25
Hounslow	11
Islington	2
Kensington and Chelsea	9
Kingston upon Thames	10
Lambeth	7
Lewisham	12
Merton	10
Newham	15
Redbridge	11
Richmond upon Thames	9
Southwark	15
Sutton	11
Tower Hamlets	33
Waltham Forest	5

Borough	Need
Wandsworth	7
Westminster	0

* London Borough of Bexley was excluded from the commissioning of this research and no survey work took place there.

Policy H15 Purpose-built student accommodation

Policy H15 Purpose-built student accommodation

A Boroughs should seek to ensure that local and strategic need for purpose-built student accommodation is addressed, provided that:

- 1) at the neighbourhood level, the development contributes to a mixed and inclusive neighbourhood
- 2) the use of the accommodation is secured for students^[76]
- 3) the majority of the bedrooms in the development including all of the affordable student accommodation bedrooms are secured through a nomination agreement for occupation by students of one or more higher education provider^[77]
- 4) the maximum level of accommodation is secured as affordable student accommodation as defined through the London Plan and associated guidance:
 - a) to follow the Fast Track Route, at least 35 per cent of the accommodation must be secured as affordable student accommodation or 50 per cent where the development is on public land or industrial land appropriate for residential uses in accordance with [Policy E7 Industrial intensification, co-location and substitution](#)
 - b) where the requirements of 4a above are not met, applications must follow the Viability Tested Route set out in [Policy H5 Threshold approach to applications](#), Part E
 - c) the affordable student accommodation bedrooms should be allocated by the higher education provider(s) that operates the accommodation, or has the nomination right to it, to students it considers most in need of the accommodation.
- 5) the accommodation provides adequate functional living space and layout.

B Boroughs, student accommodation providers and higher education providers are encouraged to develop student accommodation in locations well-connected to local services by walking, cycling and public transport, as part of mixed-use regeneration and redevelopment schemes.

4.15.1 London's higher education providers make a significant contribution to its economy and labour market. It is important that their attractiveness and potential growth are not compromised by inadequate provision for new student accommodation. The housing need of students in London, whether in **Purpose-Built Student Accommodation** (PBSA) or shared conventional housing, is an element of the overall housing need for London determined in the 2017 London SHMA. London's overall housing need in the SHMA is expressed in terms of the number of conventional self-contained housing units. However, new flats, houses or bedrooms in PBSA all contribute to meeting London's housing need. The completion of new PBSA therefore contributes to meeting London's overall housing need and is not in addition to this need.

4.15.2 The **overall strategic requirement for PBSA** in London has been established through the work of the Mayor's Academic Forum, and a requirement for 3,500 PBSA bed spaces to be provided annually over the Plan period has been identified.^[78] Meeting the requirement for PBSA should not undermine policy to secure mixed and inclusive neighbourhoods.

4.15.3 The strategic need for PBSA is not broken down into borough-level targets as the location of this need will vary over the Plan period with changes in higher education providers' estate and expansion plans, availability of appropriate sites, and changes in Government policy that affect their growth and funding. To demonstrate that there is a need for a new PBSA development and ensure the accommodation will be supporting London's higher education providers, the student accommodation must either be operated directly by a higher education provider or the development must have an agreement in place from initial occupation with one or more higher education providers, to provide housing for its students, and to commit to having such an agreement for as long as the development is used for student accommodation. This agreement is known as a **nomination agreement**. A majority of the bedrooms in the development must be covered by these agreements. Therefore, the borough should ensure, through condition or legal agreement, that the development will, from the point of occupation, maintain a nomination agreement or enter a new nomination agreement with one or more higher education provider(s) for a majority of the bedrooms in the development, for as long as it is used as student accommodation. There is no requirement for the higher education provider linked by the agreement to the PBSA to be located within the borough where the development is proposed.

4.15.4 Where all the bedrooms in the PBSA development are provided at a rental cost that qualifies as affordable student accommodation as defined in paragraph 4.15.8 and maintained in perpetuity through legal agreement or condition, there is no requirement for it to have a nomination agreement with a higher education provider.

4.15.5 If the accommodation is not secured for use by students and secured through a nomination agreement for occupation by students of one or more higher educational providers as set out in paragraph 4.15.3 or is exempt from this requirement as set out in paragraph 4.15.4, it will not be considered as purpose-built student accommodation or meeting a need for purpose-built student accommodation; and the development proposal will normally be considered large-scale **purpose-built shared living** and be assessed by the requirements of [Policy H16 Large-scale purpose-built shared living](#).

4.15.6 PBSA should provide adequate functional living space and layout for the occupants. The **design** of the development must be high quality and in accordance with the requirements of [Policy D3 Optimising site capacity through the design-led approach](#).

4.15.7 To ensure students with an income equivalent to that provided to full-time UK students by state-funded sources of financial support for living costs can afford to stay in PBSA, the maximum number of bedrooms in PBSA are required to be affordable at this income level. The rental cost for this affordable student accommodation has been defined through the work of the Mayor's Academic Forum.^[79] In addition, the Mayor seeks the development of student accommodation which is affordable for the student body as a whole. Providers of PBSA are encouraged to develop models for delivery of PBSA in London which **minimise rental costs** for the majority of the bedrooms in the development and bring these rates nearer to the rate of affordable student accommodation.

4.15.8 The **definition of affordable student accommodation** is a PBSA bedroom that is provided at a rental cost for the academic year equal to or below 55 per cent of the maximum income that a new full-time student studying in London and living away from home could receive from the Government's maintenance loan for living costs for that academic year. The actual amount the Mayor defines as affordable student accommodation for the coming academic year is published in the Mayor's Annual Monitoring Report. Should the Government make significant changes to the operation of the maintenance loan for living costs as the main source of income

available from the Government for higher education students, the Mayor will review the definition of affordable student accommodation and may provide updated guidance.

4.15.9 To provide greater certainty, speed up the planning process and increase the delivery of affordable student accommodation, a threshold has been introduced for PBSA schemes to take advantage of the Fast Track Route. To follow the **Fast Track Route** the amount of affordable student accommodation provided should be at least 35 per cent of student bedrooms in the development, or 50 per cent where required by Part B of [Policy H5 Threshold approach to applications](#). If the required threshold for affordable student accommodation is not met, a scheme will be considered under the **Viability Tested Route** in line with Part E of [Policy H5 Threshold approach to applications](#) and the Mayor's Affordable Housing and Viability SPG.

4.15.10 The affordable student accommodation should be equivalent to the non-affordable rooms in the development in terms of room sizes and room occupancy level. The **rent** charged must include all services and utilities which are offered as part of the package for an equivalent non-affordable room in the development. There should be no additional charges specific to the affordable accommodation.

4.15.11 The **initial annual rental cost** for the element of affordable accommodation should not exceed the level set out in the Mayor's Annual Monitoring Report for the relevant year. For following years, the rental cost for this accommodation can be linked to changes in a nationally-recognised index of inflation such as the Consumer Prices Index or CPIH.^[80] A review period, such as every three years, could be set by the borough to allow for recalibrating the affordable student accommodation to the level stated as affordable in the Mayor's Annual Monitoring Report.

4.15.12 Where the development is not operated directly by a higher education provider, the affordable student accommodation bedrooms should be part of the PBSA that is subject to a nomination agreement. **Allocation** of affordable student accommodation should be by the higher education provider(s) which operates it or has the nomination right to it, and the provider(s) should allocate the rooms to students it considers most in need of the accommodation.

4.15.13 To enable providers of PBSA to maximise the delivery of affordable student accommodation by increasing the profitability of the development, boroughs should consider allowing the **temporary use of accommodation** during vacation periods for ancillary uses. Examples of such uses, amongst others, include providing accommodation for conference delegates, visitors, interns on university placements, and students on short-term education courses at any institution approved in advance by the borough. The temporary use should not disrupt the accommodation of the resident students during their academic year. Conditions and/or legal agreements could be attached to any planning permission to ensure that the ancillary use does not result in a material change of use of the building.

4.15.14 Where a PBSA development meets all the requirements of Part A, boroughs should not require on-site provision of, or a contribution towards, conventional Use Class C3 affordable housing.

4.15.15 In **monitoring** the implementation of this policy, particular regard will be given to the delivery of PBSA, the amount of affordable student accommodation provided, and the rental costs of the non-affordable rooms in PBSA developments.

Policy H16 Large-scale purpose-built shared living

Policy H16 Large-scale purpose-built shared living

A Large-scale purpose-built shared living development^[81] must meet the following criteria:

1) it is of good quality and design

- 2) it contributes towards mixed and inclusive neighbourhoods
- 3) it is located in an area well-connected to local services and employment by walking, cycling and public transport, and its design does not contribute to car dependency
- 4) it is under single management
- 5) its units are all for rent with minimum tenancy lengths of no less than three months
- 6) communal facilities and services are provided that are sufficient to meet the requirements of the intended number of residents and offer at least:
 - a) convenient access to a communal kitchen
 - b) outside communal amenity space (roof terrace and/or garden)
 - c) internal communal amenity space (dining rooms, lounges)
 - d) laundry and drying facilities
 - e) a concierge
 - f) bedding and linen changing and/or room cleaning services.
- 7) the private units provide adequate functional living space and layout, and are not self-contained homes or capable of being used as self-contained homes
- 8) a management plan is provided with the application
- 9) it delivers a cash in lieu contribution towards conventional C3 affordable housing. Boroughs should seek this contribution for the provision of new C3 off-site affordable housing as either an:
 - a) upfront cash in lieu payment to the local authority, or
 - b) in perpetuity annual payment to the local authority
- 10) In both cases developments are expected to provide a contribution that is equivalent to 35 per cent of the units, or 50 per cent where the development is on public sector land or industrial land appropriate for residential uses in accordance with [Policy E7 Industrial intensification, co-location and substitution](#), to be provided at a discount of 50 per cent of the market rent. All large-scale purpose-built shared living schemes will be subject to the Viability Tested Route set out in [Policy H5 Threshold approach to applications](#), however, developments which provide a contribution equal to 35 per cent of the units at a discount of 50 per cent of the market rent will not be subject to a Late Stage Viability Review.

4.16.1 **Large-scale shared living developments** may provide a housing option for single person households who cannot or choose not to live in self-contained homes or HMOs. This policy is required to ensure that new purpose-built shared living developments are of acceptable quality, well-managed and integrated into their surroundings.

4.16.2 This policy applies to large-scale purpose-built shared living developments which in planning terms are **sui generis non-self-contained market housing**. These are not restricted to particular groups by occupation or specific need such as students, nurses or people requiring temporary or emergency accommodation proposed by speciality providers.

4.16.3 Large-scale purpose-built shared living developments are generally of at least 50 units. This type of accommodation is seen as providing an alternative to traditional flat shares and includes additional services and facilities, such as room cleaning, bed linen, on-site gym and concierge service. **Tenancies** should be for a minimum of three months to ensure large-scale purpose-built shared living developments do not effectively operate as a hostel.

4.16.4 A **management plan** must be produced and submitted with the planning application showing how the whole development will be managed and maintained to ensure the continued quality of the accommodation, communal facilities and services, and that it will positively integrate into the surrounding communities. The agreed management plan should be secured through a Section 106 agreement and should include, but not be limited to, detailed information on:

- a. security and fire safety procedures
- b. move in and move out arrangements
- c. how all internal and external areas of the development will be maintained
- d. how communal spaces and private units will be cleaned and how linen changing services will operate
- e. how deliveries for servicing the development and residents' deliveries will be managed.

4.16.5 It is important within a large-scale purpose-built shared living development to **create a sense of community**. Buildings should be designed and managed in a way that lowers barriers to social interaction and encourages engagement between people:

- incidental meeting spaces should be provided in public and semi-public spaces within the building
- communal kitchen spaces should be designed for social interaction, such as shared kitchens with cooking stations facing each other
- amenity spaces should be of a size and quality that actively encourages their use and community engagement
- where appropriate, entrance lobbies and public amenities such as restaurants and bars should encourage use by the surrounding local community as well as the internal community.

4.16.6 The private units should be appropriately sized to be comfortable and functional for a tenant's needs and may include facilities such as en-suite bathrooms and limited cooking facilities. There are currently no minimum space standards for communal and private areas of this type of accommodation. Given the generally small size of the private space in these developments, the **communal amenity spaces** are important elements in ensuring that the quality of the overall residential amenity is acceptable. If deemed necessary, the Mayor will produce planning guidance, including space standards, for this form of accommodation.

4.16.7 This form of accommodation is required to **contribute to affordable housing**. However, because it does not meet minimum housing space standards it is not considered suitable as a form of affordable housing itself. Therefore, a financial contribution is required for affordable housing provided through the borough's affordable housing programme.

4.16.8 A borough can decide whether it would prefer the **financial contribution** as a single upfront payment for affordable housing (Part A9a of [Policy H16 Large-scale purpose-built shared living](#)), which will be based on a 50 per cent discount to market value of 35 per cent of the units, or 50 per cent where the development is on public sector land or industrial land appropriate for residential uses in accordance with [Policy E7 Industrial intensification, co-location and substitution](#), or an ongoing in perpetuity payment linked to actual rental income (Part A9b of [Policy H16 Large-scale purpose-built shared living](#)). The ongoing payment should be based on 50 per cent of rental income for 35 per cent of units for as long as the development is used for this form of accommodation. Because of the immaturity of the market for this type of development, all large-scale purpose-built shared living developments will be assessed under the Viability Tested Route as set out in [Policy H5 Threshold approach to applications](#). However, schemes which meet the relevant threshold will not be subject to a Late Stage Viability Review.

4.16.9 The **rental cost** of this form of accommodation is not directly comparable to the rental costs of conventional Use Class C3 housing, as shared living units are significantly smaller than the minimum housing space standard i.e. a one person dwelling of 37 sq.m.. Shared living tenants typically pay a room rate that includes utility costs and rent. If a comparison is undertaken it should be on a square metre rental rate, excluding utility costs, of the private accommodation and not a unit rental rate.

Navigation

[39] Tube, rail, DLR and tram stations

[40] District, major, metropolitan and international town centres – for the purposes of [Policy H1 Increasing housing supply](#) Part B2a, the 800m distance is measured from the edge of the town centre boundary

[41] Where boroughs wish to commission their own research on housing requirements to complement the London-wide SHMA, they are encouraged to do this on a sub-regional rather than single-borough basis.

[42] For a full discussion of the SHLAA methodology and findings see [2017 SHLAA report](#).

[43] Amalgamating flats into larger homes.

[44] For example, a scheme involving 25 gross new homes and the loss of 10 existing homes would contribute 15 net additional homes towards meeting housing targets.

[45] This would also fulfil the requirement of a ‘Housing Delivery Test action plan’

[46] See [Glossary](#)

[47] Tube, rail, DLR or tram station

[48] District, major, metropolitan and international town centres

[49] See [Glossary](#)

[50] All major development of 10 or more units triggers an affordable housing requirement. Boroughs may also require affordable housing contributions from minor housing development in accordance with [Policy H2 Small sites](#)

[51] Strategic partners are affordable housing providers who commit to deliver ambitious development programmes through a flexible partnership with the Mayor. Each partnership involves at least 1,000 new housing starts, with at least 60 per cent of them genuinely affordable.

[52] Separate affordable housing requirements apply to estate regeneration schemes on public sector land, which are set out in [Policy H8 Loss of existing housing and estate redevelopment](#).

[53] The NPPF defines affordable housing for planning purposes. Within this broad definition, sections 4.6.3 - 4.6.9 of this Plan set out the Mayor's preferred affordable housing tenures and other genuinely affordable housing products

[54] Public subsidy includes grant, public loans (including the Mayor's London Housing Bank) and any public land at a reduced cost

[55] For exceptions see [Policy H2 Small sites](#) and [Policy H16 Large-scale purpose-built shared living](#).

[56] Community Infrastructure Levy Regulations 2010, Regulation 122(2):
http://www.legislation.gov.uk/ukxi/2010/948/pdfs/ukxi_20100948_en.pdf

[57] [Habitable room](#) is defined in the Glossary

[58] [Habitable floorspace](#) is defined in the Glossary

[59] Floorspace capacity is defined here as either the existing industrial and warehousing floorspace on site or the potential industrial and warehousing floorspace that could be accommodated on site at a 65 per cent plot ratio, whichever is the greater. For the purposes of [Policy H5 Threshold approach to applications](#), this floorspace-based approach applies to sites used for utilities infrastructure or land for transport functions that are no longer required. However, it is recognised that some surplus utilities sites are subject to substantial decontamination, enabling and remediation costs. If it is robustly demonstrated that extraordinary decontamination, enabling or remediation costs must be incurred to bring a surplus utilities site forward for development, then a 35 percent affordable housing threshold could be applied, subject to detailed evidence, including viability evidence, being made available.

[60] <https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners-affordable-homes-programmes>

[61] <https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners-affordable-homes-programmes>

[62] Further details on LLR can be found in the London Housing Strategy

[63] Mayor of London, 2018, London Housing Strategy:
https://www.london.gov.uk/sites/default/files/2018_lhs_london_housing_strategy.pdf

[64] Table 615 from <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

[65] Pursuant to the Deregulation Act 2015 (sections 44 and 45: Short-term use of London accommodation: relaxation of restrictions and power to relax restrictions.):

http://www.legislation.gov.uk/ukpga/2015/20/pdfs/ukpga_20150020_en.pdf

[66] Boroughs may set their own thresholds to reflect local housing market circumstances and affordable housing need. However, it is important that where a lower threshold is set, Build to Rent schemes must still operate according to the stipulations in this guidance in order to qualify for the application of the Built to Rent policy.

[67] Covenant periods are expected to increase as the market matures.

[68] Boroughs may publish guidance setting out the proportion of DMR homes to be provided at different rental levels to benefit from the Fast Track Route. In setting local DMR requirements boroughs should have regard to the relationship between the level of discount required and the viability of achieving the relevant threshold level.

[69] The absorption rate is how long it will take a home to sell or be let for the identified price. The main constraint on absorption is the number of buyers or renters in the market willing (or able) to buy or rent the property at the identified price.

[70] & A valuation of the market and affordable units must be included within the S106 agreement to enable the level of clawback to be calculated in the event that the covenant is broken.

[71] The Community Infrastructure Levy (Amendment) Regulation 2015 – amendment to Part 6 – exemptions and reliefs.

[72] Housing with care: Guidance on regulated activities for providers of supported living and extra care housing, Care Quality Commission, 2015 [https://www.cqc.org.uk/sites/default/files/20151023_provider_guidance-housing_with_care.pdf]

[73] Housing with care: Guidance on regulated activities for providers of supported living and extra care housing, Care Quality Commission, 2015 [https://www.cqc.org.uk/sites/default/files/20151023_provider_guidance-housing_with_care.pdf]

[74] London Plan research reports can be found at <https://www.london.gov.uk/what-we-do/planning/london-plan/london-plan-technical-and-research-reports>

[75] London Boroughs' Gypsy and Traveller Accommodation Needs Assessment, Forham Research, 2008: https://www.london.gov.uk/sites/default/files/london_boroughs_gypsy_and_traveller_accommodation_needs_assessment_final_report_-_2008_-_fordham_research.pdf

[76] For the implementation of this policy a student is a person following a course in higher education as recognised by the Office for Students.

[77] A higher education provider is defined as an education institution that provides a designated course that has been approved by the Department for Education for higher education study which allows the student to apply for government-financed student loans. Higher education study is at qualification Level 4 or above (i.e. above A-level or equivalent). Further information on qualification levels can be found [on the [What qualifications mean web page](#)]. The Office for Students provides a register listing all the [English higher education providers](#) that it officially recognises]. This register can be used to determine if a higher education provider delivers designated courses and thus satisfies the above definition. Further advice on higher education providers and designated courses can be obtained by contacting London Higher at enquiry@londonhigher.ac.uk

[78] Student population projections and accommodation need for new London Plan 2017 (amended October 2018) GLA

[79] The Mayor's Academic Forum is composed of representatives from the boroughs, universities, private and voluntary sector accommodation providers and students, and is chaired and serviced by the GLA.

[80] CPIH is a new additional measure of consumer price inflation including a measure of owner occupiers' housing costs, please see the [[Consumer Price Inflation webpage](#) for further information].

[81] Large-scale purpose-built shared living developments are sui generis

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