



GL Hearn

# Affordable Housing Statement

Consolidated Developments Ltd

Land at St Giles Circus & Endell Street  
London  
WC2H

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## **Prepared by**

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## **1. INTRODUCTION**

- 1.1. This Affordable Housing Statement has been prepared on behalf of the Applicant, Consolidated Developments Ltd to accompany a planning application submitted to LB Camden for a mixed use development of Land at St Giles Circus and at Endell Street.
- 1.2. The purpose of this statement is to provide the local planning authority with information regarding the provision of affordable housing within the proposed development and the justification for that provision.
- 1.3. Section 2 of this statement will set out the relevant affordable housing policy against which these proposals are to be tested.
- 1.4. Section 3 will explain the proposed residential provision.
- 1.5. In bringing forward these redevelopment proposals extensive pre-application consultation has taken place between the Applicant's team and various stakeholders. In respect of the affordable housing provision discussions have taken place with various Registered Providers who develop in Camden.
- 1.6. This statement should be read in conjunction with the supporting Planning and Design & Access Statements which provide further clarification in respect of the residential elements of the scheme.

## **2. PLANNING POLICY**

2.1. In consideration of these proposals, due regard has been had to the housing policy as set out in the National Planning Policy Framework, Regional Planning Policy (London Plan) and local planning policy.

2.2. In summary, the following documents have been considered:-

### **London Plan (July 2011) Policies:-**

- 3.5 Quality and Design of Housing Developments
- 3.8 Housing Choice
- 3.10 Definition of Affordable Housing
- 3.11 Affordable Housing Targets
- 3.12 Negotiating Affordable Housing on Individual Private Residential and Mixed Use Schemes
- 3.13 Affordable Housing Thresholds

### **London Housing Strategy (February 2010)**

### **A Revised London Housing Strategy (December 2011)**

### **LB Camden Core Strategy (adopted November 2010)**

### **LB Camden Development Policies (adopted November 2010)**

### **LB Camden Housing CPG2 (adopted April 2011)**

### **London Plan**

2.3. The London Plan was updated by the Mayor of London in July 2011. Policy 3.12 deals with the negotiation of affordable housing on individual private residential and mixed use schemes.

2.4. Policy 3.12 states that '*The maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes, having regard to:*

- a) current and future requirements for affordable housing...*
- b) affordable housing targets adopted in line with Policy 3.11,*
- c) the need to encourage rather than restrain residential development...*
- d) the need to promote mixed and balanced communities...*
- e) the size and type of affordable housing needed in particular locations*
- f) the specific circumstances of individual site.'*

2.5. It states further '*Negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy...*'

2.6. Policy 3.11 of the London Plan sets out the Mayor's strategic target that 60% of affordable housing provision should be for social rent (the document evolved prior to the introduction of

affordable rent tenure) with 40% for intermediate tenure. Priority should be accorded to provision of affordable family housing.

- 2.7. The London Plan acknowledged (paragraph 3.63) the introduction of affordable rent tenure by the Government. The Mayor has recently consulted on changes to the adopted (2010) London Housing Strategy which is expected to be revised during 2012. The August 2011 initial proposals consultation stated that the revised strategy would seek to deliver Affordable Rent homes at a range of rents (including 10% at target rents) and to ensure that 36% of new Affordable Rent homes (which are allocated funding) are 3 bedroom or more.

### **LB Camden Core Strategy**

- 2.8. The LB Camden Core Strategy was adopted in November 2010.
- 2.9. Paragraph 1.22 recognises the importance of encouraging developments with high densities in the most accessible parts of the borough, such as Central London.
- 2.10. Paragraph 1.25 notes that the Council will encourage the provision of a mix of uses in suitable locations.
- 2.11. Paragraph 3.5 states that the Council will generally expect larger developments in highly accessible areas to include a mix of uses.
- 2.12. Policy CS6 states that housing is the priority land-use of Camden's Local Development Framework.
- 2.13. New housing should seek to meet a borough wide target of 50% of all units subject to site characteristics, location and overall scheme viability. A borough guide is 60% social rented and 40% intermediate based on unit numbers. The Council is seeking a diverse range of housing products.
- 2.14. For all new social rented housing the Council has recognised homes with 4+ bedrooms as the highest priority with 3 bed homes also a high priority. For intermediate housing, the Council has identified 3 bed homes as a high priority although homes of all sizes are required. For market housing the priority is for 2 bed homes. This is not a prescriptive mix across all sites in the borough. The preferred affordable housing mix in terms of unit size and mix of dwellings on individual sites will be determined through negotiation, scheme viability assessment and up to date assessment of housing need.

### **LB Camden Development Policies**

- 2.15. The Camden Development Policies was adopted in November 2010 and forms part of the Council's Local Development Framework (LDF).
- 2.16. The Camden Development Policies Local Development Framework is one of the main mechanisms by which LB Camden will seek to deliver objectives in the Core Strategy.
- 2.17. Policy DP1 states that the Council will require a mix of uses in development where appropriate in all parts of the borough, including a contribution towards the supply of housing. In the Central London Area, where more than 200sqm (gross) additional floorspace is provided, the Council will require up to 50% of all additional floorspace to be housing.

- 2.18. Policy DP3 states that the Council will expect all residential developments with a capacity for 10 or more additional dwellings to make a contribution to the supply of affordable housing. The policy also states that the Council will apply the 50% affordable housing target with regard to a sliding scale from 10% for developments with a capacity for 10 dwellings to 50% for developments with capacity for 50 dwellings. However the sliding scale is not applicable to mixed-use developments.
- 2.19. Paragraph 3.8 states that the Council considers that a floorspace of 1,000sqm (gross) is capable of accommodating 10 family dwellings.
- 2.20. Policy DP5 sets out the Dwelling Size Priorities Table, details of which have been explained above in paragraph 2.14. The policy states that the Council will aim for at least 50% of social rented dwellings and 10% of intermediate affordable dwellings in each scheme to be large homes with 3+ bedrooms and for at least 40% of market homes to contain 2 bedrooms.
- 2.21. Policy DP6 states that all new homes are to be built to Lifetime Homes standards with 10% to be wheelchair accessible or easily adaptable.

#### **LB Camden Affordable Rent Study**

- 2.22. We have been provided with the Council's research into the affordability of the Affordable Rent product with the Borough by pod LLP (Autumn 2011).
- 2.23. The document recommends that all rents should be capped at the LHA levels. Where rents fall below the LHA, the following levels are suggested:-

| <b>Beds</b> | <b>% of Market Rent</b> |
|-------------|-------------------------|
| Studio      | Up to 80%               |
| 1           | From 60% to 80%         |
| 2           | From 50% to 70%         |
| 3           | Up to 50%               |
| 4+          | Up to 40%               |

### 3. PROPOSED RESIDENTIAL PROVISION

- 3.1. The proposals include the provision of two new primary street buildings on St Giles High Street, Andrew Borde Street and Charing Cross Road, plus two smaller buildings on Denmark Place to provide a mix of retail, hotel and restaurant/bar use as appropriate to this Central London location. Tapping into the music heritage of the area the proposals include a flexible basement event space, to be accessed via Denmark Place. In addition to the built environment the proposals incorporate new pedestrian routes through the site, encouraging people away from the exit of Tottenham Court Road station and ensuring appropriate dispersal through the local area.
- 3.2. Central to the development proposals is the new 'urban gallery' which will provide publically accessible space to assist in accommodating the predicted increase in footfall following the completion of Crossrail. The 'urban gallery' will be a carefully curated space, providing a mixture of virtual retail opportunities within a managed digital environment.

#### Overall Residential Provision

- 3.3. In the Central London Area, where more than 200sqm (gross) additional floorspace is provided, the Council will require up to 50% of all additional floorspace to be housing (Policy DP1). This policy is therefore applicable for the subject scheme.
- 3.4. The Planning Statement gives further detail in respect of the floor areas of the proposed development however in summary Policy DP1 requires 915sqm of residential floorspace with a subsequent affordable housing requirement of 457.5sqm (both figures based on GIA).
- 3.5. The proposals actually provide 1,834sqm of residential floorspace, including 934sqm of affordable housing floorspace. This equates to 51% affordable housing which is in excess of the policy requirement.

#### Affordable Housing Provision

- 3.6. The proposed development is situated in a very central part of the borough being located in Zone 1 around Charing Cross Road; values are therefore high. Furthermore, the nature of the development proposals which include the retention and refurbishment of some existing historic properties (some of which are Grade II listed) mean that it is not possible to provide affordable rented accommodation on the main site. Higher than average service charges for maintenance of these properties would be an issue and it is not permissible to cross-subsidise service charges from one tenure to another. It is also inappropriate for rented units to share access with other tenures from a management and value perspective.
- 3.7. There is support for off-site provision of affordable housing within Policy DP3 which states '*The Council will expect the affordable housing contribution to be made on site, but where it cannot practically be achieved on site, the Council may accept off-site affordable housing, or exceptionally a payment-in-lieu.*'
- 3.8. Paragraph 3.13 of Policy DP3 accepts that off-site solutions will be appropriate where it is not practical to include affordable housing within a private development, especially where the development is relatively small (up to 3,500sqm gross), which is the case with the subject proposals. The text of paragraph 3.13 goes on to state '*The Council also accepts that a mix of on-site and off-site contributions may sometimes be appropriate, for example if it is practical to include intermediate affordable housing or social rented housing within the development, but not to include both.*'
- 3.9. The scheme proposals provide both on-site and off-site affordable housing.

- 3.10. The Applicant has already acquired a property at 71 Endell Street which is in the same ward as the development site at St Giles Circus. The two sites are only around 250m apart. It is proposed to convert the existing buildings at 71 Endell Street to provide 7no. rented units for affordable housing.
- 3.11. As the property is already in the ownership of the Applicant delivery can be guaranteed and indeed, delivery of this element of the affordable housing could potentially come forward earlier than the main site.
- 3.12. The 71 Endell Street property would provide the following unit mix in a gated courtyard setting:-

| Unit Type              | sqm (per unit) | No. of Type | % of units  | No. of Hab Rms | % of Hab Rms |
|------------------------|----------------|-------------|-------------|----------------|--------------|
| 1 bed, 2 person flats  | 50-54          | 2           | 28.6%       | 4              | 19.0%        |
| 2 bed, 3 person flats  | 65-66          | 2           | 42.9%       | 6              | 42.9%        |
| 2 bed, 4 person flats  | 85             | 1           |             | 3              |              |
| 3 bed, 4/5 person flat | 94             | 1           | 28.6%       | 4              | 38.1%        |
| 3 bed, 6 person flat   | 121            | 1           |             | 4              |              |
| <b>Total</b>           |                | <b>7</b>    | <b>100%</b> | <b>21</b>      | <b>100%</b>  |

- 3.13. We have already spoken to various local RPs who develop in Camden including Viridian Housing, Peabody, Network Housing Group, A2Dominion Housing Group and One Housing Group.
- 3.14. Network have confirmed that the scheme is too small for them to consider at the current time, however the other RPs contacted have confirmed their interest in advancing discussions with the Applicant. In particular the ability to have a separate rented building on Endell Street is seen as a benefit of the proposals enabling them to management the property efficiently, especially with regard to service charges. Service charges on the main site are likely to be high given the nature of the buildings with numerous shared cores, insurance costs and the aspirations of private buyers in this location.
- 3.15. In addition to the Endell Street rented building it is proposed to include 4no. shared ownership units within the private element of the buildings on Denmark Street. The shared ownership mix will be as follows:-

| Unit Type             | No. of Type | % of units  | No. of Hab Rms | % of Hab Rms |
|-----------------------|-------------|-------------|----------------|--------------|
| 1 bed, 1 person flat  | 1           | 25%         | 1              | 14.3%        |
| 1 bed, 2 person flats | 3           | 75%         | 6              | 85.7%        |
| <b>Total</b>          | <b>4</b>    | <b>100%</b> | <b>7</b>       | <b>100%</b>  |

- 3.16. We have had informal discussions with Deborah Halling in LB Camden's Housing Department (October 2012). Deborah confirmed that in high value, central locations rented units were the priority affordable housing tenure. Nevertheless the Applicant has sought to provide on-site affordable housing in the form of some intermediate accommodation. This has been focused on smaller units which are more affordable. The smaller unit sizes are also a function of the nature and layout of the existing buildings which are being refurbished.
- 3.17. The scheme will therefore comprise 11no. affordable housing units with a split of 63.6%:36.4% affordable rent:shared ownership based on unit numbers (75%:25% affordable rent:shared ownership based on habitable rooms).



### **Section 106 Agreement**

- 3.18. The proposed affordable housing units will be secured under a Section 106 Agreement. The completed affordable housing units will be transferred to a Registered Provider (RP) in the usual manner.
- 3.19. As mentioned above, we have spoken to various local RPs who develop in Camden including Viridian Housing, Peabody, Network Housing Group, A2Dominion Housing Group and One Housing Group.
- 3.20. During the course of the planning application we will seek to secure a Registered Provider for the affordable housing units and we will keep the Council's Housing Department updated with progress in this regard.

#### **4. CONCLUSIONS**

- 4.1. The scheme will provide 7no. affordable rented units and 4no. shared ownership units in an expensive part of Central London where new affordable housing is in short supply.
- 4.2. The affordable housing split is 63.6%:36.4% affordable rent:shared ownership based on unit numbers (75%:25% affordable rent:shared ownership based on habitable rooms). This mix therefore provides a slightly higher level of rented accommodation than is required by both the London Plan and LB Camden's Core Strategy.
- 4.3. Policy DP3 provides policy support for provision of some of the affordable housing off-site and this can be delivered on a nearby site which is already in the Applicant's ownership. The remainder of the affordable housing will be provided on-site.
- 4.4. We consider that the scheme proposals are policy compliant and they will provide good quality affordable housing in a very expensive part of the borough.