

## **CENTRIC CLOSE – AFFORDABLE HOUSING AND VIABILITY STATEMENT**

### **1. The Mayor of London’s Draft Affordable Housing & Viability SPG 2016 dated November 2016**

The Mayor’s SPG introduces a Threshold Approach to viability.

Paragraph 8 of the SPG states that:

*Applications that meet or exceed the 35% threshold without public subsidy, provide affordable housing on site, meet the specified tenure mix and all other requirements and obligations are not required to submit viability information. Such schemes will be subject an early review mechanism but this is only triggered if an agreed level of progress is not made within two years of permission being granted.*

Paragraph 9 explains that:

*The idea of this approach is to provide greater certainty and offers an option to move away from protracted and uncertain viability negotiations.*

Paragraph 12 states that:

*The SPG is also clear that where an LPA currently adopts an approach which delivers a higher percentage of affordable housing (without public subsidy) the local approach should continue to apply. Where a borough is minded to continue using a local approach ....the Mayor requests that boroughs discuss with the GLA and provide evidence that this will deliver an average of more than 35% affordable housing without public subsidy.*

### **2. Fairview’s response to the November 2016 SPG**

Centric Close is the first planning application to be submitted by Fairview since the SPG was published.

We accept that because the project is not referable to the Mayor, it is Camden’s policies which will apply and because the Mayor’s SPG is only in draft form Camden may in any event choose to reject its guidance or view it as premature.

However, Fairview accepts the logic of the Mayor’s position in relation to Centric Close and we request that the Council allow the Mayor’s recommendations to be followed in relation to this planning application.

### **3. Fairview’s offer in relation to the Affordable Housing content at Centric Close**

#### **Option 1 – The Mayor’s SPG Threshold Approach**

Fairview will provide affordable housing at Centric close which equates to 35% by habitable room on condition that the Council does not require a viability submission and does not impose a viability review.

However, we accept that a review will be triggered if the development is not implemented within two years of the date of the Section 106 Agreement.

In accordance with the guidance for “Route B: Applications that meet or exceed the 35% Threshold”, we will agree a Benchmark Land Value with the Council.

This will be included in the Section 106 and will form the basis of comparison for the viability assessment if the review mechanism is triggered because of delay.

The 35% affordable housing scheme will provide the following accommodation:

Affordable Rent based on Mayor’s London Affordable Rent benchmarks for 2017-18

3 x 1 bed 2p flats	(rent £144.26 per week plus service charge)
1 x 1 bed 2p wheelchair flat	(rent £144.26 per week plus service charge)
4 x 2 bed 4p flats	(rent £152.73 per week plus service charge)
7 x 3 bed 5p flats	(rent £161.22 per week plus service charge)
1 x 3 bed 4p wheelchair flat	(rent £161.22 per week plus service charge)
Sub Total Affordable Rent = 16 units	

Intermediate Rent/ Living Rent

5 x Studio flats	(rent to be agreed)
6 x 1 Bedroom flats	(rent to be agreed)
Sub Total Intermediate = 11 units	

Grand Total affordable units = 27 units out of 76 (35.5% by unit, 35.6% by habitable room)

**4. Option 2 – The Viability Approach**

If the Council insist on the submission of a viability assessment and the imposition of a viability review, the offer to provide 35% will be withdrawn and a reduced level of affordable provision will be submitted.

In this regard it should be noted that, according to information recorded on the Molior London Database, the level of affordable housing recently achieved by the Council for developer led projects using the Viability Approach is significantly below 35%, viz:

- Lawn Road – 22% by unit (2014/6903/P).
- The Courtyard – 10% by unit (2015/1243/P)
- Theatre Square – 20% by unit (2014/1617/P)
- Kidderpore Avenue North – 20% by unit (2015/3936/P)
- 140-146 Camden Street – 23% by unit (2014/7908/P)
- 245 Kilburn High Road – 25% by unit (2015/2775/P)
- 317 Finchley Road – 9% by unit (2016/2910/P)

Fairview would look to achieve a level of affordable housing in keeping with these approvals if the Threshold Approach is rejected.