



CAMDEN GOODS YARD

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AFFORDABLE HOUSING STATEMENT

June 2017



Affordable Housing Statement

Camden Goods Yard

June 2017

Turley

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Contact

Amy Gilham
amy.gilham@turley.co.uk

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1. Introduction

- 1.1 This Affordable Housing Statement has been prepared by Turley Economics in respect of the residential element of the proposed mixed-use development at Camden Goods Yard ('the proposed development'). The proposed development is introduced in section 4 of this report.
- 1.2 The report focuses on the affordable housing proposed, and responds to the requirement from the London Borough of Camden (LBC) that residential developments providing 10 or more units submit an Affordable Housing Statement¹. This is intended to outline the proposed affordable housing provision in the context of policy, and specify the different levels or types of affordable housing proposed.

Definitions

- 1.3 Unless otherwise specified, references to affordable housing within this report relate to social rented, affordable rented and intermediate housing, as currently defined within the National Planning Policy Framework² (NPPF) and London Plan:

"Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision"

- 1.4 Nationally, the Government has consulted on changes to policy which would broaden the definition of affordable housing³. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing⁴, although this has not yet been implemented through secondary legislation. The Government has, however, confirmed that a revised definition will be brought forward through changes to the NPPF later this year⁵, with a proposal to define affordable housing as '*housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership)*'. This emerging policy direction provides important context in considering affordable housing provision at the application site.

Structure

- 1.5 This report is structured as follows:
- **Section 2 – Need for Affordable Housing in Camden** – a summary of local and wider evidence of affordable housing need, drawing upon the LBC evidence base and additional indicators of need;

¹ <https://www.camden.gov.uk/ccm/content/environment/planning-and-built-environment/two/planning-applications/making-an-application/supporting-documentation/affordable-housing-statements.en>

² DCLG (2012) National Planning Policy Framework, Annex 2

³ DCLG (2015) Consultation on National Planning Policy

⁴ Housing and Planning Act 2016, part 6, section 159 (4)

⁵ DCLG (2017) Fixing our Broken Housing Market (para A.120)

- **Section 3 – Policy Context** – establishing how national, London and LBC policy is seeking to respond to the evidenced need for affordable housing;
- **Section 4 – Proposed Development** – an overview of the proposed development and its proposed affordable housing provision, outlining its compliance with policy and potential role in meeting local affordable housing needs; and
- **Section 5 – Conclusions** – a concise review of the findings of this report.

2. Need for Affordable Housing in Camden

- 2.1 This section provides a summary of available evidence of the need for affordable housing in Camden, drawing upon evidence commissioned by LBC and considering the implications of more recent market evidence. The scale of housing need evidenced across London is also established for context.

London

- 2.2 It is important to acknowledge the scale of housing need identified across London. The latest Strategic Housing Market Assessment⁶ (SHMA) published by the Greater London Authority (GLA) highlights a substantial need for circa 48,900 new homes per annum, with social rent and intermediate housing representing half (52%) of this overall requirement. The assessment highlights a particular need for smaller social and intermediate housing.

Table 2.1: Net Annualised Housing Requirement (2015 – 2035)

	1 bed	2 beds	3 beds	4+ beds	Total	%
Market	2,798	5,791	8,545	6,083	23,217	48%
Intermediate	3,357	2,240	2,506	1,799	9,902	20%
Social rent	10,225	1,003	1,774	2,720	15,722	32%
Total	16,381	9,034	12,825	10,602	48,841	100%

Source: GLA, 2013

- 2.3 Collectively, circa 25,600 social rent or intermediate units are required annually across London. This surpasses the level of delivery recorded over recent years, with the latest monitoring report published by the GLA indicating that a net average of 7,176 affordable units have been annually completed over the past three years⁷ (2012 – 2015). This highlights a need to elevate affordable housing provision to meet needs.

Camden

- 2.4 Camden's latest published Housing Strategy acknowledges the '*clear evidence of overwhelming need for affordable housing in the borough*'⁸. This is based on the Council's then-latest evidence of affordable housing needs within its 2008 Housing Needs Survey Update (HNSU), which found that some 4,787 affordable homes would be needed annually over a five year period to meet both current and newly arising needs⁹. When indexed, this level of need was notably found to be '*substantially higher*

⁶ GLA (2013) The 2013 London Strategic Housing Market Assessment

⁷ GLA (2016) Annual Monitoring Report 12, 2014-15

⁸ London Borough of Camden (2011) Housing Strategy 2011 – 2016, p9

⁹ Fordham Research (2008) Camden Housing Needs Survey Update

than the national average...and also higher than the average for Inner London'¹⁰. The components of this need are broken down below.

Table 2.2: Summary of Annual Affordable Housing Needs in Camden

	Annual need/supply over 5 years
Current need	1,352
Current supply	1,046
Net current need	306
Future need	5,476
Future supply from existing stock	995
Net future need	4,481
Total net annual need	4,787

Source: Fordham Research, 2008

- 2.5 The need for affordable housing generated by households in the future represents a sizeable component of the calculated need, with some 5,476 additional households expected to require affordable housing annually. This far surpasses the projected annual future supply (995), and is driven both by existing households falling into need and the formation of new households unable to buy or rent in the open market. It is estimated that some 78% of new households will be unable to afford market housing without a form of subsidy¹¹. This is a reflection of high market housing costs in Camden, considered further later in this section.
- 2.6 It was, however, importantly found that '*intermediate housing will be suitable for some households in need*', with around half (53%) of households needing affordable housing able to afford intermediate options in the borough¹². Supply is skewed towards social rented accommodation, with the greatest shortfall therefore existing for smaller intermediate housing as summarised below. This highlights that the provision of intermediate housing can make a significant contribution towards meeting the calculated need for affordable housing in Camden.

¹⁰ Ibid (para 6.8)

¹¹ Ibid (para 5.21)

¹² Ibid (paras 6.22 – 6.24)

Table 2.3: Net Annual Need for Affordable Housing by Type and Size

	Intermediate	Social rent	Total
1 bed	2,315	209	2,523
2 beds	667	565	1,231
3 beds	280	225	505
4+ beds	300	226	526
Total	3,561	1,225	4,786
%	74%	26%	100%

Source: Fordham Research, 2008

- 2.7 The HNSU underpins the local policy approach outlined in section 3 of this report, but predates the publication of Planning Practice Guidance (PPG). This advocates a stepped approach towards calculating the need for affordable housing by adding current and projected future needs and subtracting available stock¹³. However, the approach followed remains consistent with this updated guidance, given that it largely retains the approach outlined in earlier guidance¹⁴.
- 2.8 However, LBC has more recently commissioned updated evidence of the need for both market and affordable housing, within its 2016 Strategic Housing Market Assessment¹⁵ (SHMA). This identifies a need to provide additional affordable housing for 9,951 households over the period assessed (2016 – 2031), equivalent to 663 affordable homes per year. The approach taken is not directly comparable to the HNSU, and is summarised in the table below.

Table 2.4: Assessment of Need for Affordable Housing in Camden

	Households
Total unmet need for affordable housing	9,214
Supply of housing vacated	5,113
Current affordable housing need	4,101
Future need for affordable housing (2016 – 2031)	5,850
Total need for affordable housing	9,951
Average annual need for affordable housing (2016 – 2031)	663

Source: ORS, 2016

- 2.9 The updated assessment highlights a sizeable current need for affordable housing in Camden, with some 4,101 households in need of affordable housing who do not currently occupy affordable housing. A future need for 5,850 affordable homes is also

¹³ PPG Reference ID 2a-022-20140306

¹⁴ DCLG (2007) Strategic Housing Market Assessments – Practice Guidance

¹⁵ ORS (2016) London Borough of Camden Strategic Housing Market Assessment

projected. The SHMA does not specifically consider the role of intermediate housing in meeting this need, although its calculation inherently captures all those unable to afford the cost of market housing.

- 2.10 The SHMA separately calculates the size of affordable housing needed, highlighting – as summarised below – the notable need for homes with two or three bedrooms.

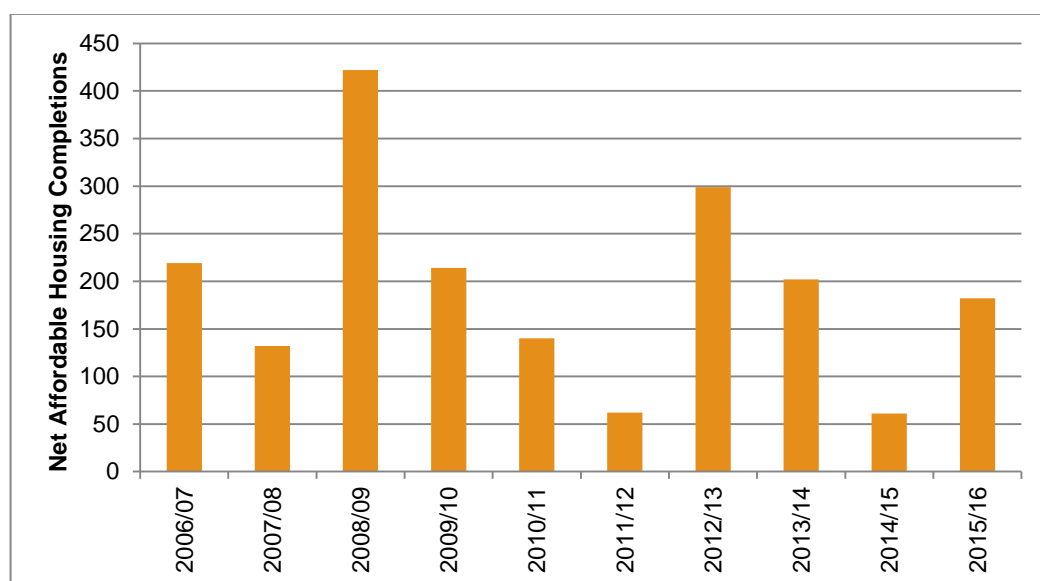
Table 2.5: Need for Affordable Housing by Size

	1 bed	2 beds	3 beds	4+ beds
Affordable housing	4%	38%	35%	23%

Source: ORS, 2016

- 2.11 While the calculated need for 663 affordable homes per annum falls below the level calculated in the HNSU, it remains clear that the scale of affordable housing delivery in Camden is some way below that required to meet this need in full. Over the past decade, 193 net affordable housing completions have been annually recorded on average by LBC¹⁶. A significant uplift from current levels of affordable housing supply – equivalent to a threefold increase – would therefore be required to meet even the lower calculated annual need in full.

Figure 2.1: Net Affordable Housing Completions in Camden (2006 – 2016)



Source: LBC monitoring

Housing Costs

- 2.12 The significance of this shortfall in affordable housing supply is amplified when considered in the context of the rising cost of market housing in Camden. The Valuation Office Agency (VOA) collates statistics on the cost of private rent, with its latest data for

¹⁶ London Borough of Camden (2016) Annual Monitoring Report

the year to January 2017 published by the GLA¹⁷. This can be compared against the earliest comparable dataset published by the VOA, which shows the cost of renting over the year to June 2011. As summarised in the following table, this shows that the entry-level (lower quartile) cost of rented housing of all sizes in Camden has increased over the past five years. This can be indicative of an imbalance between demand and supply¹⁸.

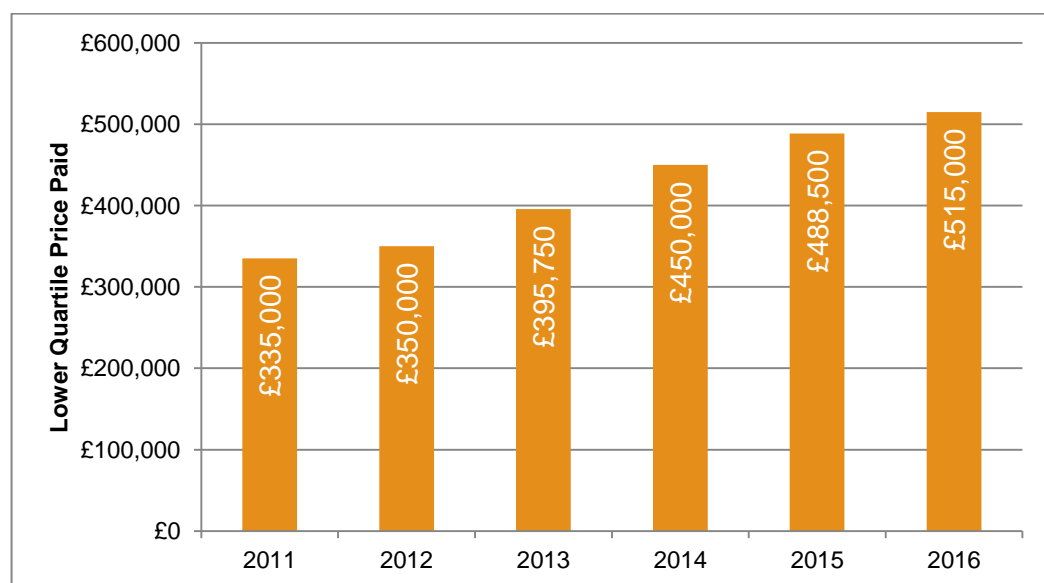
Table 2.6: Monthly Lower Quartile Cost of Private Rent in Camden

	Year to June 2011	Year to January 2017	Change
1 bed	£1,127	£1,408	25%
2 beds	£1,517	£1,777	17%
3 beds	£1,950	£2,492	28%
4+ beds	£2,448	£3,228	32%

Source: VOA

- 2.13 House prices have also significantly increased over the same period, based on price paid data recorded by the Land Registry. As shown in the following chart, the entry-level lower quartile price paid for housing in Camden has increased year on year over the past five calendar years, with entry level housing costs in the borough some 54% higher than five years ago.

Figure 2.2: Lower Quartile Price Paid for Housing in Camden



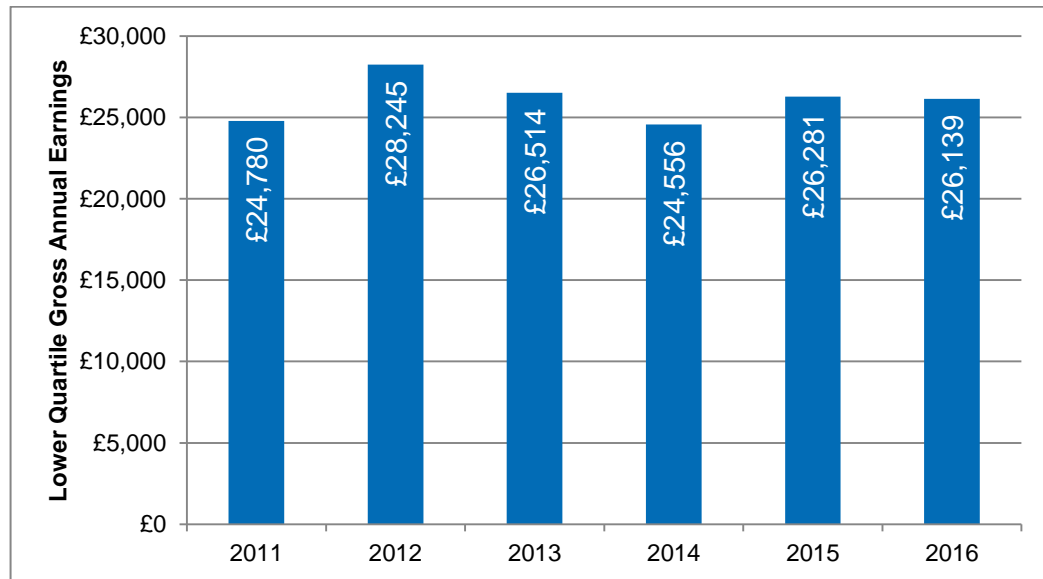
Source: Land Registry

¹⁷ <https://www.london.gov.uk/what-we-do/housing-and-land/renting/london-rents-map>

¹⁸ PPG Reference ID 2a-019-20140306

- 2.14 In understanding affordability, it is important to consider both the cost of housing and households' ability to pay¹⁹. The Annual Survey of Hours and Earnings (ASHE) shows volatility in the lower quartile earnings of full-time employed residents of Camden over recent years, with little evidence of a growth in earnings commensurate with increasing housing costs. This indicates that housing costs in Camden are becoming increasingly imbalanced with earnings.

Figure 2.3: Lower Quartile Gross Annual Full-Time Earnings for Camden Residents



Source: ASHE

Summary

- 2.15 This section has highlighted the sizeable need for affordable housing both across London and more locally in Camden. This is driven in part by the high cost of housing, with many existing and newly forming households unable to afford market housing. Intermediate housing is acknowledged to provide a housing option which is more affordable than the market, and can therefore make an important contribution towards meeting the need for affordable housing.
- 2.16 The latest evidence commissioned by LBC indicates a need for 663 affordable homes per year. Meeting this need would require a threefold increase in the average level of affordable housing delivery over the past decade. The significance of this recent shortfall is amplified by the rising cost of market housing in Camden, with the cost of privately renting entry level housing of all sizes increasing over the past five years and the price paid for entry level housing also continuing to increase. In combination with limited evidence of rising earnings, this indicates that market housing in Camden is becoming increasingly unaffordable. This reinforces the need to provide affordable housing in the borough.

¹⁹ PPG Reference ID 2a-019-20140306

3. Policy Context

- 3.1 The previous section highlighted the scale of affordable housing need in Camden – and indeed across London – and demonstrated the need to increase provision if this need is to be met. Adopted and emerging policies are seeking to respond to this evidenced need for affordable housing, as summarised within this section.

National

- 3.2 The NPPF makes clear that the planning system should contribute towards delivering development which is economically, socially and environmentally sustainable. Providing a supply of housing which is sufficient to meet present and future needs is integral to the social dimension of sustainable development, with the NPPF clearly seeking to significantly boost the supply of housing. This can be achieved by:

“[Planning] for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community...[and identifying] the size, type, tenure and range of housing that is required in particular locations, reflecting local demand”²⁰

- 3.3 The Government consulted on proposed changes to national planning policy²¹ in December 2015, making clear its commitment to home ownership but recognising the important role of affordable rent for those not currently seeking home ownership. The changes proposed would broaden the definition of affordable housing, supporting *‘present and future innovation by housing providers in meeting the needs of a wide range of households who are unable to access market housing’*. This would include *‘products that are analogous to low cost market housing or intermediate rent, such as discount market sales or innovative rent to buy housing. Some of these products may not be subject to ‘in perpetuity’ restrictions or have recycled subsidy’*.
- 3.4 The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing, and the Government’s recently published Housing White Paper²² confirms that a revised definition will be brought forward through changes to the NPPF later this year. This proposes a definition of affordable housing as *‘housing that is provided for sale or rent to those whose needs are not met by the market’*, which *‘can include housing that provides a subsidised route to home ownership’*. A range of affordable housing models are introduced and defined within the Housing White Paper²³, with a recognition that each can contribute towards meeting needs not met by the market.

London

- 3.5 As the spatial development strategy for London, the London Plan forms part of the Local Plan for Camden, with local planning documents expected to generally conform with the

²⁰ DCLG (2012) National Planning Policy Framework (para 50)

²¹ DCLG (2015) Consultation on National Planning Policy

²² DCLG (2017) Fixing our Broken Housing Market (para A.120)

²³ Ibid (p100)

London Plan. This highlights the need to provide more housing to meet the needs of the existing and future population.

- 3.6 The London Plan highlights the tenure, size and type of housing as important factors, noting that a diverse range of affordable housing products can contribute towards meeting London's housing needs. The high cost of housing at even the entry-level of the London market is acknowledged, with the Plan explicitly seeking to provide Londoners with a '*genuine choice of homes that they can afford and which meet their requirements*'. The Plan highlights that increased provision of intermediate housing can expand the supply of affordable housing.
- 3.7 While the London Plan sets minimum annual housing supply targets for each borough – based on evidenced need and capacity – it does not disaggregate targets to provide a split between market and affordable housing. However, Policy 3.11 states that an average of 17,000 affordable homes should be provided annually across London, with 60% social rented and 40% intermediate. Priority for affordable family housing is noted, alongside an acknowledgement that a diverse range of affordable housing products can contribute towards addressing the capital's housing needs.
- 3.8 It is important to recognise that the GLA is currently undertaking a full review of the London Plan, with consultation on a draft expected later this year. Mayor of London Sadiq Khan has placed particular emphasis on the delivery of affordable housing even prior to his election, with the first of his ten manifesto priorities aiming to:

*"Tackle the housing crisis, building thousands more homes for Londoners each year, setting an ambitious target of 50% of new homes being genuinely affordable, and getting a better deal for renters"*²⁴

- 3.9 Following his election, the Mayor published a statement of his ambitions²⁵, which identifies new challenges and opportunities relevant to the development of the new London Plan. This again acknowledges the scale of housing pressure in London and sets out a clear aim to '*deliver more, better, genuinely affordable homes for the Londoners who need them*'. The importance of delivering a range of housing products to meet all needs is recognised, and it is noted that:

*"Increasing supply and providing the homes that Londoners need means building new homes both for sale and for rent, including a range of different sorts of affordable housing. For people on low incomes, we need more low-cost rented homes. We also need more renting options to help middle earners, which is why I have established the London Living Rent. This will be set at no more than one third of the local average household income and will help middle earners to save for a deposit. Finally, for those Londoners who are ready to take their first step into home ownership but would struggle to buy on the open market, I will deliver more shared-ownership properties, where people part buy and part rent a property until they are able to purchase the whole property outright"*²⁶

²⁴ Sadiq Khan for London (2016) A Manifesto for All Londoners

²⁵ Mayor of London (2016) A City for All Londoners

²⁶ Ibid (p39)

- 3.10 The Mayor has outlined his commitment to *'delivering homes that are tailored to the different needs of Londoners'*²⁷, and has secured funding from Government to support the start of at least 90,000 new affordable homes in London over the period to 2021. Of this total, at least 65% are to be London Living Rent or shared ownership products, with the remainder to be made available at London Affordable Rent levels. These are defined as follows²⁸:
- **London Affordable Rent** – rents to use benchmarks for homes let in 2017/18 as the starting point, with these benchmarks reflecting the formula rent cap figures for social rents uprated by CPI for September 2016 plus one percent. Updated benchmarks will be published annually by the GLA, and once let, homes will be subject to rent-setting guidance issued by the Social Housing Regulator and annual 1% rent reductions up to 2020;
 - **London Living Rent** – an intermediate affordable housing product with locally specified sub-market rents, based on a third of median gross local income. This is intended to help households on average income levels to save for a deposit to buy their own home. Eligibility is restricted to existing private and social renters with a maximum household income of £60,000, without sufficient current savings to purchase a home in the local area; and
 - **London Shared Ownership** – allows a home buyer to purchase a share in a new home and pay a regulated rent on the remaining unsold share. Purchasers should have household incomes that can support an initial purchase of between 25 – 75% of the value, with a usual mortgage deposit of around 10%.
- 3.11 The draft Affordable Housing and Viability SPG²⁹ ('the draft SPG') published by the GLA provides further context on the emerging policy direction in London. This outlines the Mayor's intention to *'maintain...flexibility to meet local needs while ensuring the delivery of his preferred affordable products'*. The preferred tenure split for schemes would deliver at least 30% of affordable housing as intermediate products, with London Living Rent and/or shared ownership preferred, although it is recognised that authorities *'may prioritise other intermediate products that are genuinely affordable where they better meet the needs of their area'*. A similar proportion (30%) are expected to be provided at low cost social or affordable rent, with the residual 40% to be determined by the relevant local authority.
- 3.12 The draft SPG proposes a threshold approach to affordable housing provision at larger development sites, with the aim of securing at least 35% of habitable rooms as affordable provision. This *'pan-London figure...was informed by analysis of past completions and approvals'* and is *'a level which is ambitious and practical and will encourage increased affordable housing delivery through the planning system'*³⁰. It is noted that local approaches will continue to apply where a borough currently delivers a higher percentage of affordable housing without public subsidy.

²⁷ GLA (2016) Homes for Londoners – Affordable Homes Programme 2016 – 2021 Funding Guidance (para 2)

²⁸ Ibid

²⁹ GLA (2016) Homes for Londoners – Draft Affordable Housing and Viability SPG (para 2.32)

³⁰ Ibid (para 2.14)

- 3.13 The draft SPG remains a draft at this stage, pending the outcome of the consultation which concluded in February 2017. However, local authorities are '*strongly encouraged*' to follow the Mayor's preferred approach set out therein, with the approach also expected to underpin the consultation draft of the new London Plan scheduled for publication later this year. It is understood that the draft SPG will be finalised and adopted this summer, and may therefore represent adopted policy when this application is determined.

Camden

- 3.14 Within its adopted Core Strategy, LBC seeks to ensure that '*50% of the borough-wide target for additional self-contained homes [are] provided as affordable housing*'³¹. Negotiations will seek to secure the '*maximum reasonable contribution of affordable housing under the specific circumstances of the site, including the financial viability of the development*'. Half (50%) of the additional housing floorspace is targeted as affordable, with a guideline that 60% of affordable housing is provided at social-affordable rent with the residual 40% intermediate rent.
- 3.15 Emerging policy and additional published guidance provides further clarity on the preferred approach towards affordable housing provision in Camden. The submission draft of the Camden Local Plan³² seeks to exceed the targeted borough-wide target for 5,565 additional affordable homes (2015 – 2030), reiterating its preferred 60/40 split in favour of social-affordable rented housing and specifying an affordable housing target of 50% to apply to larger development sites delivering 25 units or more. This continues to be based on additional residential floorspace, rather than units.
- 3.16 This exceeds the Mayor's proposed policy target of 35%, although it is understood that LBC is supportive of this approach alongside its 'light touch' viability review. This is reflected in a recent decision which followed publication of the draft SPG, where the scheme's 35% affordable housing offer was '*a welcomed proposal, particularly because in this case the Council have been able to secure agreement on the tenures and rent levels within the affordable provision on site*'³³.
- 3.17 The emerging Camden Local Plan acknowledges a need for dwellings of every size, but identifies a priority to deliver smaller intermediate units and larger social-affordable rent based on the evidence in the SHMA. This is summarised in the following table.

³¹ London Borough of Camden (2010) Core Strategy, Policy CS6

³² London Borough of Camden (2016) Draft Camden Local Plan

³³ London Borough of Camden (2016) Officers' Report for 1 Centric Clos [2016/6891/P]

Table 3.1: Dwelling Size Priorities

	1 bed or studio	2 beds	3 beds	4+ beds
Social-affordable	Lower	High	High	Medium
Intermediate	High	Medium	Lower	Lower

Source: LBC, 2016

- 3.18 Beyond the overall quantum and size of affordable housing sought, LBC also provides further guidance on the type of affordable housing preferred, introduced below.

Social-Affordable Rent

- 3.19 Although social and affordable rents are separately defined in the NPPF and the London Plan, LBC considers this form of provision collectively as '*social-affordable rent*'³⁴.
- 3.20 While social rented housing is provided at rents guided by national targets, affordable rents are guided by the local market, such that rents are no more than 80% of gross market rent inclusive of service charges³⁵. However, it should be noted that the Mayor does not consider this benchmark to be genuinely affordable across most parts of London, and therefore expects most affordable rented homes to be made available for rents which fall substantially below this level³⁶. Both social and affordable rents are subject to the Regulator's Rent and Tenancy Standard.
- 3.21 Social and affordable rented accommodation is mostly owned by Councils or housing associations, and is targeted towards those on lower incomes whose needs are not met by market housing and who are eligible for social rented housing³⁷. While social rents are defined through a national formula, affordable rents are agreed on a scheme-by-scheme basis. It is understood that LBC strongly encourages affordable rents to be set at a level lower than the relevant Local Housing Allowance (LHA) cap, where this represents less than 80% of local market rents³⁸. This local policy seeks to ensure that affordable rented homes are not more expensive than market homes available anywhere in the borough.
- 3.22 Local Housing Allowance is set by the Government based on housing costs in the relevant Broad Rental Market Area (BRMA). The application site is located in the Inner North London BRMA, and the relevant levels of LHA are summarised in the following table as of May 2017.

³⁴ London Borough of Camden (2016) Draft Camden Local Plan; London Borough of Camden (2016) Camden Planning Guidance 2 – Housing

³⁵ DCLG (2012) National Planning Policy Framework, Annex 2

³⁶ GLA (2016) Homes for Londoners – Affordable Homes Programme 2016 – 2021 Funding Guidance

³⁷ London Borough of Camden (2016) Draft Camden Local Plan – Housing Topic Paper; London Borough of Camden (2016) Camden Planning Guidance 2 – Housing

³⁸ London Borough of Camden (2016) Camden Planning Guidance 2 – Housing

Table 3.2: Local Housing Allowance – Inner North London BRMA

	1 bed	2 beds	3 beds
LHA per week	£260.64	£302.33	£354.46
LHA per month	£1,129.44	£1,310.10	£1,535.99

Source: Directgov

Intermediate Rent

- 3.23 Intermediate rents are usually 20% cheaper than the open market, and are typically targeted towards those who do not claim benefits but cannot afford market rents or purchase. The product is therefore designed to enable households to spend less on rent and instead save towards a deposit for a house.
- 3.24 The evidence in the previous section is referenced by LBC in demonstrating that over half of households in need of affordable housing could afford the cost of intermediate housing. LBC has identified intermediate rent as its preferred form of intermediate housing, given that it represents the most affordable intermediate product currently available³⁹. Its Intermediate Housing Strategy acknowledges that shared ownership is the most common intermediate product, but notes that this product is becoming increasingly unaffordable with the increase in property values across central London⁴⁰.
- 3.25 Through section 106 agreements, LBC encourages providers to adopt intermediate rents which range from 40 – 80% of market rent, subject to scheme viability⁴¹. As an intermediate housing product, households in London currently must have an income of less than £90,000 to qualify for intermediate rent. However, this threshold is regularly reviewed, and it is understood that the Mayor intends to lower this threshold to £60,000 in the forthcoming 2017 Annual Monitoring Report⁴².
- 3.26 Within this policy framework, LBC seeks to establish intermediate rents which are affordable for households with incomes which fall below this threshold, by ensuring that *‘a majority of provision is affordable to households with incomes between £30,000 and £40,000 (as adjusted by wage inflation)’*⁴³. This allows for the provision of housing affordable to households with higher incomes, provided that the majority (over 50%) of units are accessible to households within this range. Engagement between the applicant and LBC has agreed that such a balanced and flexible approach could be appropriate in order to support the overall level of affordable housing provision. Advice from LBC has also indicated that a higher income cap of £80,000 would apply for 2 bed units accommodating 4 persons (2b4p), although this would be *‘very much...at the upper end’* of its affordability measure.

³⁹ London Borough of Camden (2016) Intermediate Housing Strategy

⁴⁰ Ibid (para 1.4)

⁴¹ Ibid

⁴² GLA (2016) Homes for Londoners – Draft Affordable Housing and Viability SPG (para 2.38)

⁴³ London Borough of Camden (2016) Intermediate Housing Strategy

Summary

- 3.27 This section establishes how adopted and emerging policy is seeking to respond to and meet the sizeable evidenced need for affordable housing in Camden and London. Providing homes which are genuinely affordable for those unable to access market housing is a key objective of national and London policy, with the GLA seeking to deliver a mixture of social rented and intermediate housing. It has been recognised that a range of affordable housing types can meet needs, and the Mayor has specifically identified London Affordable Rent, London Living Rent and London Shared Ownership as preferred products.
- 3.28 The Mayor has also recognised that viability is a factor influencing affordable housing provision, and has proposed a new approach which aims to secure at least 35% of habitable rooms as affordable provision. LBC seeks to secure a higher level of affordable provision (50% of residential floorspace), but has been supportive of the emerging GLA approach subject to agreement on tenures and rent levels.
- 3.29 Local policy seeks to secure the majority of affordable housing (60%) as social-affordable rent. The remaining 40% should be provided at intermediate rent, with the majority affordable to households with annual earnings ranging from £30,000 to £40,000. It has been agreed that provision of affordable units above this threshold could enable the provision of units within this range.

4. Proposed Development

- 4.1 This section introduces the proposed development, outlining the proposed level of affordable housing provision and demonstrating its compliance with policy introduced in the previous section. Reference is also made to dialogue with LBC prior to submission, which has sought to establish agreement on the affordable housing offer.

Proposed Development

- 4.2 The proposed development involves the demolition and redevelopment of existing buildings, with the main supermarket site redeveloped to provide up to 573 homes. A range of unit sizes and tenures are proposed, as summarised in the following table. Circa 32.1% of residential units are intended to be affordable, of which more than half (55.4%) will be available at affordable rents.

Table 4.1: Proposed New Homes (units)

	Market	Affordable rent	Intermediate rent	Total
Studio	62	0	0	62
1 bed	140	23	46	209
2 beds	146	29	36	221
3 beds	41	42	0	83
4 beds	0	8	0	8
Total	389	102	82	573
% of all units	67.9%	17.8%	14.3%	100.0%
% of affordable	–	55.4%	44.6%	–

- 4.3 In total, affordable housing is to represent 35% of the residential floorspace proposed, based on net internal area (NIA). This represents a proportionate affordable housing contribution in line with the emerging GLA policy target, and has been broadly supported through discussions with LBC to date⁴⁴. Of this total, affordable rented units represent circa 62% of affordable housing floorspace, with intermediate housing accounting for the residual 38%. Again, this demonstrates broad alignment with the tenure split sought through adopted and emerging policy, which seeks to provide a 60/40 split in favour of affordable rent.

⁴⁴ While the GLA sets a proposed policy target of 35% by habitable room, it is understood that LBC intends to consider affordable housing provision on an NIA floorspace basis

Table 4.2: Proposed Affordable Homes (floorspace, NIA)

	NIA	%
Affordable rent	8,431sqm	62%
Intermediate rent	5,166sqm	38%
Total affordable housing floorspace	13,597sqm	100%
Total residential floorspace	38,540sqm	
Affordable as % of residential floorspace	35%	

- 4.4 The following table outlines the size of affordable units proposed, based on the number of bedrooms. This indicates that the proposed development will deliver affordable housing in a range of sizes, including smaller units for intermediate rent and larger affordable rented units.

Table 4.3: Proposed Affordable Homes (units, number of bedrooms)

	Affordable rent	Intermediate rent	Total affordable	%
1 bed	23	46	69	38%
2 beds	29	36	65	35%
3 beds	42	0	42	23%
4 beds	8	0	8	4%
Total	102	82	184	100%

- 4.5 The size of units proposed can be compared against Table 3.1, which introduces local policy priorities intended to respond to the evidenced need for different sizes of affordable housing in the borough. As summarised in the following table, almost two thirds (64%) of the units proposed are of a size most highly prioritised through policy. This demonstrates an alignment with local policy priorities.

Table 4.4: Proposed Affordable Housing and Policy Priorities

Priority	Units	%
High 2/3 bed social-affordable; 1 bed intermediate	117	64%
Medium 4+ bed social-affordable; 2 bed intermediate	44	24%
Lower 1 bed social-affordable; 3/4 bed intermediate	23	13%
Total	184	100%

- 4.6 Finally, when considering the number of habitable rooms provided as affordable housing, the following table confirms that circa 38% of habitable rooms will be affordable. This complies with the affordable housing target proposed by the Mayor.

Table 4.5: Proposed Affordable Homes (habitable rooms)

	Habitable rooms	%
Affordable rent	391	25%
Intermediate rent	200	13%
Market	944	61%
Total	1,535	100%

4.7 Drawings submitted with this application illustrate the location of the proposed affordable and intermediate units within the overall scheme, and reference should therefore be made to the following drawings submitted:

- 1095_00_07_100 (ground floor plan);
- 1095_00_07_101 (first floor plan);
- 1095_00_07_102 (second floor plan);
- 1095_00_07_103 (third floor plan);
- 1095_00_07_104 (fourth floor plan);
- 1095_00_07_105 (fifth floor plan);
- 1095_00_07_106 (sixth floor plan);
- 1095_00_07_107 (seventh floor plan);
- 1095_00_07_108 (eighth floor plan);
- 1095_00_07_109 (ninth floor plan);
- 1095_00_07_110 (tenth floor plan);
- 1095_00_07_111 (eleventh floor plan);
- 1095_00_07_112 (twelfth floor plan); and
- 1095_00_07_113 (thirteenth floor plan).

Proposed Rent Levels

- 4.8 The applicant intends to provide affordable housing at rents which comply with policy. This has formed the basis for discussions with LBC to date.
- 4.9 In line with policy, the majority of affordable housing units, floorspace and habitable rooms proposed will be social-affordable rent. Rents for these units will be based on the

London Affordable Rent, introduced in the previous section⁴⁵. This complies with funding guidance issued by the GLA, and will provide housing at rents below the market level.

- 4.10 All one bedroom intermediate rent units will be affordable to households earning £40,000 per annum, based on the LBC method for calculating rents. A weekly rent of £215 including service charges is proposed, equivalent to circa £932 per month. This represents around 66% of the lower quartile market rent in Camden (£1,408 per month), identified at Table 2.6 of this report. The majority (56%) of intermediate units will contain one bed, and the majority of intermediate units will therefore be affordable to households earning £40,000 per annum. This demonstrates compliance with LBC policy.
- 4.11 For two bedroom intermediate units, it is proposed that 50% of units are affordable to households earning £50,000 per annum, with 50% affordable to those earning £55,000 per annum. Again, this is based on the LBC method for calculating rents, resulting in weekly rents of £269.23 to £296.15 per week including service charges. This equates to circa £1,167 – £1,283 per month, and is equivalent to around 66 – 72% of entry level market rent when benchmarked against Table 2.6.

Summary

- 4.12 This section provides a summary of the proposed affordable housing offer at Camden Goods Yard, which has been developed in accordance with policy and refined through discussions with LBC prior to submission.
- 4.13 Affordable housing represents circa 32% of all residential units, 35% of all residential floorspace and 38% of habitable rooms proposed. The proposed development will deliver affordable units of various sizes, including smaller units for intermediate rent and larger affordable rented units.
- 4.14 The applicant intends to provide affordable housing at rents which comply with policy as set out above. The majority of affordable housing units, floorspace and habitable rooms proposed will be social-affordable rent, set in line with the London Affordable Rent to accord with guidance issued by the GLA. In line with local policy, the majority of intermediate rents will be affordable to households earning less than £40,000 per annum, based on the LBC method for calculating rents. All intermediate units will provide housing at rents considerably below market level.

⁴⁵ GLA (2016) Homes for Londoners – Affordable Homes Programme 2016 – 2021 Funding

5. Conclusions

- 5.1 This Affordable Housing Statement has been prepared by Turley Economics in respect of the residential element of the proposed mixed-use development at Camden Goods Yard. This involves the demolition and redevelopment of existing buildings, with the main supermarket site redeveloped to provide up to 573 homes. This is inclusive of 184 affordable homes, which will contribute towards meeting the evidenced need for affordable housing in Camden and across London. The proposed development will contribute towards facilitating the uplift in affordable housing provision sought and required to meet needs.
- 5.2 The applicant has liaised with LBC prior to submission to establish agreement on an appropriate level of affordable housing provision, having regard to adopted and emerging LBC and London policy as well as scheme viability. Affordable housing represents circa 32% of all residential units, 35% of all residential floorspace and 38% of habitable rooms proposed. This is in line with thresholds recently endorsed by the GLA, and – although LBC seeks to secure a higher level of affordable housing provision – it has been supportive of the emerging GLA approach subject to agreement on tenures and rent levels.
- 5.3 In line with policy, the majority of affordable housing will be social-affordable rent, set in line with the London Affordable Rent in accordance with guidance issued by the GLA. This will provide much-needed housing at rents below market level. Similarly, there exists a recognised need for additional intermediate housing in Camden and across London, which the proposed development can contribute towards meeting. Intermediate rents will be lower than market benchmarks, with the majority affordable to households annually earning less than £40,000. This aligns with LBC policy on affordable housing units.

Turley
The Charlotte Building
17 Gresse Street
London
W1T 1QL

T 020 7851 4010

Turley

Prepared by:
Turley Economics

On behalf of:
Safeway Stores Limited and BDW Trading Limited



BARRATT
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