



Land adjacent to 1 St Johns Wood Park, London NW8 6QS

Affordable Housing Statement

Introduction

This note has been prepared by Grimshaw Consulting Limited. It provides clarification on the approach towards addressing the planning policy requirement for the provision of affordable housing pursuant to the proposed development at land adjacent to 1 St Johns Wood Park, London NW8 6QS (the 'Site').

The proposed redevelopment of the Site comprises the construction of 9 residential apartments with a Gross Internal Area of 13,609sqft (1264sqm), within a 6-storey (plus basement) building.

This statement refers to the methodology and conclusions contained in a Financial Viability Assessment for the Site, undertaken by Grimshaw Consulting Limited and issued to the Council under confidential cover.

Planning Policy

LB Camden Local Plan Policy H4 – Maximising the supply of affordable housing states:

The Council will aim to maximise the supply of affordable housing and exceed a borough wide strategic target of 5,300 additional affordable homes from 2016/17 - 2030/31 and aim for an appropriate mix of affordable housing types to meet the needs of households unable to access market housing.

We will expect a contribution to affordable housing from all developments that provide one or more additional homes and involve a total addition to residential floorspace of 100sqm GIA or more. The Council will seek to negotiate the maximum reasonable amount of affordable housing on the following basis:

- a. the guideline mix of affordable housing types is 60% social-affordable rented housing and 40% intermediate housing;*
- b. targets are based on an assessment of development capacity whereby 100sqm (GIA) of housing floorspace is generally considered to create capacity for one home;*
- c. targets are applied to additional housing floorspace proposed, not to existing housing floorspace or replacement floorspace;*
- d. a sliding scale target applies to developments that provide one or more additional homes and have capacity for fewer than 25 additional homes, starting at 2% for one home and increasing by 2% of for each home added to capacity;*
- e. an affordable housing target of 50% applies to developments with capacity for 25 or more additional dwellings;*
- f. for developments with capacity for 25 or more additional homes, the Council may seek affordable housing for older people or vulnerable people as part or all of the affordable housing contribution;*
- g. where developments have capacity for fewer than 10 additional dwellings, the Council will accept a payment-in-lieu of affordable housing;*



- h. for developments with capacity for 10 or more additional dwellings, the affordable housing should be provided on site; and*
- i. where affordable housing cannot practically be provided on site, or offsite provision would create a better contribution (in terms of quantity and/or quality), the Council may accept provision of affordable housing offsite in the same area, or exceptionally a payment-in-lieu.*

We will seek to ensure that where development sites are split, or separate proposals are brought forward for closely related sites, the appropriate affordable housing contribution is comprehensively assessed for all the sites together. The Council will seek to use planning obligations to ensure that all parts or phases of split or related sites make an appropriate affordable housing contribution.

In considering whether affordable housing provision should be sought, whether provision should be made on site, and the scale and nature of the provision that would be appropriate, the Council will also take into account:

- j. the character of the development, the site and the area;*
- k. site size and any constraints on developing the site for a mix of housing including market and affordable housing, and the particular types of affordable provision sought;*
- l. access to public transport, workplaces, shops, services and community facilities;*
- m. the impact on creation of mixed, inclusive and sustainable communities;*
- n. the impact of the mix of housing types sought on the efficiency and overall quantum of development;*
- o. the economics and financial viability of the development including any particular costs associated with it, having regard to any distinctive viability characteristics of particular sectors such as build-to-let housing; and*
- p. whether an alternative approach could better meet the objectives of this policy and the Local Plan.*

Where the development's contribution to affordable housing falls significantly short of the Council's targets due to financial viability, and there is a prospect of viability improving prior to completion, the Council will seek a deferred contingent contribution, based on the initial shortfall and an updated assessment of viability when costs and receipts are known as far as possible.

Application of Planning Policy

- a) Housing Capacity of the Property – the Council's approach is to assume that 100 sqm GIA equates to capacity for 1 dwelling. The proposed development has a total GIA of 1264 sqm, which (if rounded to 1300sqm as per the Council's approach) equates to a capacity for 13 dwellings. However, the proposed development includes approximately 89sqm of ancillary space at basement level and 22.2sqm of refuse and cycle storage at ground floor level that could not be used as residential accommodation. Following the Council's guidance at paragraph IH2.40 of the Interim Housing CPG, there should be a correction to the GIA measurement for housing capacity calculation purposes, deducting 111sqm from the total GIA of 1264sqm to derive a usable GIA measurement of 1153sqm, rounded to 1200sqm. Therefore, the proposed development has capacity for 12 additional dwellings.
- b) On-site Affordable Housing Target – as stated at Local Plan Policy H4 (d), the affordable housing target for schemes of less than 25 dwellings is 2% for each additional home that the Property has capacity to provide. Based on a capacity for 12 additional dwellings, the affordable housing target is 24% of the proposed GIA of 1264sqm – i.e. 303.36sqm. For Financial Viability Assessment purposes, we have converted the GIA target into actual dwellings, based on the actual efficiency of the proposed building. The total Net Sales Area (NSA) of the 9 proposed dwellings is 898.50sqm, which equates to 71.08% of the total GIA of 1264sqm. Therefore, the calculated Affordable Housing floorspace target of 303.36sqm should be adjusted to 215.63sqm, which is 71.08% of GIA. Our Financial Viability Assessment has considered the position if on-site affordable housing were provided in the form of 2 x 2b3p apartments @ 62.30sqm and 1 x 3b4p apartment @ 90.30sqm – a total NSA of 214.90sqm, equating to 302.34sqm GIA (23.91% of total GIA).



- c) On-site Affordable Housing tenure – following the Council's Local Plan policy H4 (a), our Financial Viability Assessment has considered the on-site provision of 1 x 3b4p apartment and 1 x 2b3p apartment for Affordable Rent tenure (with rents at London Affordable Rent levels) and 1 x 2b3p apartment for Intermediate (shared ownership) tenure. For intermediate tenure we have assumed a maximum household income of £40,000 and that housing costs will be no greater than 40% of net household income (with net household income assumed to be 70% of gross income).
- d) On-site Affordable Housing Viability – Our Financial Viability Assessment concludes that it is not possible to provide affordable housing on-site and maintain a reasonable level of return for the developer and landowner as there is a significant deficit between the residual land value generated by this option and the Benchmark Land Value, that has been based on the Existing Use Value of the site with the benefit of an extant planning permission for development to provide a 5-bedroom home with a GIA of 637 sqm (6,861sqft).
- e) Off-site provision - The client does not own any other sites in the immediate locality nor is aware of any other opportunities where affordable housing could be delivered. It is considered unrealistic that the Applicant could secure a development site with capacity for approximately 303 sqm GIA / 3 affordable homes, at a reasonable cost or within a reasonable timescale.
- f) Financial Payment in Lieu - As per planning policy, this is appropriate for small schemes of circa 3500 sqm GIA. The proposed development has a GIA of 1264 sqm and a payment in lieu is therefore appropriate. Our Financial Viability Assessment has confirmed the level of Payment in Lieu that the development could generate, whilst maintaining a reasonable level of return for both the developer and landowner.

Robert Grimshaw
Director

10th October 2018



