

## **The Former Royal National Throat, Nose and Ear Hospital, 330 Gray's Inn Road, London WC1X 8DA**

On behalf of 330 Gray's Inn Road Ltd

Date: May 2021

### **Affordable Housing Statement Addendum**

JAKI/FKI/U0010503

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## 1 Introduction and Instructions

- 1.1 This Affordable Housing Statement Addendum been prepared by Gerald Eve LLP as an addendum to the Affordable Housing Statement (November 2020) submitted under the recent planning application (ref. 2020/5593/P), in respect of the former Royal National Throat, Nose and Ear Hospital, 330 Gray's Inn Road ('the Site') within the London Borough of Camden ('LBC').
- 1.2 The Application is for the comprehensive redevelopment of the Site. This document has been prepared on behalf of 330 Gray's Inn Road Limited ('the Applicant').
- 1.3 The description of development of the planning application (ref. 2020/5593/P) is set out below.

*“Redevelopment of the former Royal National Throat, Nose and Ear Hospital site, comprising: Retention of 330 Gray's Inn Road and a two storey extension above for use as hotel (5 above ground storeys in total), demolition of all other buildings, the erection of a part 13 part 9 storey building plus upper and lower ground floors (maximum height of 15 storeys) for use as a hotel (including a cafe and restaurant); covered courtyard; external terraces; erection of a 7 storey building plus upper and lower ground floors (maximum height of 9 storeys) for use as office (for consultation purposes only: 13,275sqm office space) together with terraces; erection of a 10 storey building plus upper and lower ground floors (maximum height of 12 storeys) for use as residential (44 units and 748sqm affordable workspace, for consultation purposes only) on Wicklow Street and office space at lower ground and basement floors; erection of a 5 storey building plus upper and lower ground floors (maximum height of 7 storeys) for use as residential (32 units, for consultation purposes only) on Swinton Street and associated residential amenity space; together with a gymnasium; new basement; rooftop and basement plant; servicing; cycle storage and facilities; refuse storage; landscaping and other ancillary and associated works (for consultation purposes only the development includes 9,427sqm of hotel floorspace (182 rooms)).”*

- 1.4 This document should be read alongside the information and assessment contained within the Affordable Housing Statement, dated November 2020.
- 1.5 The Application was submitted in December 2020 to LBC. Comments from the LBC Housing Team during the determination period have required a change to the proposed mix of affordable housing provision within the application.
- 1.6 The Applicant has engaged with the Housing Team at LBC in respect of the proposed changes to the affordable housing tenures, referred to throughout this document as the 'Revised Mix'. As a result of these discussions, a number of changes have been made to the affordable housing tenure mix proposals, namely the change from 60:40 intermediate to social affordable rented split, to 40:60 intermediate to social affordable rented split. It should be noted that whilst there has been a change to the proposed tenure mix, the overall affordable housing provision remains at the same level of 50% on a habitable room basis across the wider Scheme as within the original proposal.
- 1.7 This addendum note will provide updated information on the Revised Scheme. The updates will be provided in the following sections:
  - 2) Financial Viability and Overall Affordable Housing Proposal - Update
  - 3) Affordable Housing Proposal: Tenure and Mix of Units - Update
  - 4) Affordable Housing Proposal: Rental Levels and Affordability – Update
  - 5) Concluding Statement - Update

## 2 Financial Viability and Overall Affordable Housing Proposal

### Introduction

- 2.1 In this section of the report, the Revised Scheme's proposed affordable housing offer is set out.

### Financial Viability Position

- 2.2 There is a headline affordable housing requirement across both the GLA and local LBC policy. However, a lower level of provision is permitted, provided it represents the maximum reasonable amount and can be demonstrated through the Financial Viability Assessment ('FVA').
- 2.3 The proposed overall provision of affordable housing across the Revised Scheme has remained at the same level (50% on a habitable room basis) as the original offer.
- 2.4 The revised proposals provide 28 units as affordable housing across the Scheme, equating to 42% in terms of total unit numbers to be delivered.
- 2.5 The revised proposed tenure split would equate to 41% Intermediate and 59% Social Affordable Housing unit numbers.
- 2.6 When considered on a habitable room basis, this equates to 33% Intermediate and 67% Social Affordable which represents an over provision in comparison to policy.
- 2.7 The affordable housing values have remained the same as within the original offer which were agreed with BPS.

### **3 Tenure, Unit Mix and Location of Affordable Housing**

#### **Introduction**

- 3.1 This section provides further detail on the different affordable housing products that will be provided as part of the Revised Scheme offer.

#### **Tenure and Provision of Affordable Housing**

- 3.2 Please review the original Affordable Housing Statement for further information on the proposed tenures.

#### **Social Affordable Housing**

- 3.3 In line with local policy, a proportion of the affordable housing accommodation will be provided as Social Affordable Housing for Rent.
- 3.4 In the Revised Scheme, a total of 15 Social Affordable Rented units will be provided, representing 54% of the total affordable housing offer on a unit basis.

#### **Intermediate Housing**

- 3.5 In line with local policy, a proportion of the affordable housing accommodation will be provided as Intermediate Housing.
- 3.6 In the Revised Scheme, a total of 13 Intermediate Rented units will be provided. This equates to 46% of the total affordable housing offer on a unit basis.

#### **Unit Mix of Revised Affordable Housing Offer**

#### **Mix of Units: Social Affordable Housing**

- 3.7 The unit mix provision is set in line with the discussions undertaken with the Council's Housing Team following the formal consultation during the application's determination period on their preferred mix.
- 3.8 The revised unit mix, habitable room breakdown and size (NIA) of the Affordable Housing for Rent is presented in the following table:

**Table 1: Revised Offer – Social Affordable Housing Summary**

Unit Type	Total Number of Units	Total Number of Habitable Rooms	NIA (sq ft)	Unit Type Percentage Breakdown %
2B / 4P	5	16	4,132	26
3B / 5P	7	33	7,848	50
3B / 6P	3	13	3,789	24
<b>Total</b>	<b>15</b>	<b>62</b>	<b>15,769</b>	<b>100%</b>

Source: DAS

### Mix of Units: Intermediate Housing

- 3.9 As mentioned above in respect of the Affordable Housing for Rent, the revised mix for the Affordable Intermediate Housing follows discussions with the Council's Housing Team.
- 3.10 The revised unit mix, habitable room breakdown and size (NIA) of the Intermediate Housing is set out in the following table:

**Table 2: Revised Offer - Intermediate Housing Summary**

Unit Type	Total Number of Units	Total Number of Habitable Rooms	NIA (sq ft)	Unit Type Percentage Breakdown %
1B / 2P	8	16	4,489	52
2B / 3P	1	3	710	8
2B / 4P	4	12	3,391	40
<b>Total</b>	<b>13</b>	<b>31</b>	<b>8,590</b>	<b>100%</b>

Source: DAS

### **Wheelchair Accessible Units**

- 3.11 As required by LBC Policy H6, four of the apartments would be suitable for occupation by a wheelchair user or easily accessible for occupation by a wheelchair user in accordance with Building Regulation M4(3)(2)b.

- 3.12 The following table sets out the breakdown of the proposed wheelchair units, three of which will be allocated within the Social Affordable I tenure, with one unit (1x 2B / 4P unit) being within the Intermediate tenure.

**Table 3: Wheelchair Accessible Units**

Unit Type	No. Units
2B / 4P	3
3B / 6P	1
<b>Total</b>	<b>4</b>

Source: DAS

### **Location of Affordable Housing**

- 3.13 The affordable housing will be located within Block A of the Scheme.
- 3.14 The Social Affordable units are to be situated on the Lower Ground Floor to the Second Floor, with Intermediate Rented units situated on the Third to Fifth Floors.
- 3.15 The units will be accessible by lift as well as stairs, in line with LBC Policy.

### **Summary**

- 3.16 Overall, the proposed affordable housing tenures are aligned to the policy requirements of LBC.
- 3.17 The Scheme delivers a range of different sized accommodation, including one to three-bedroom units. Unit sizes are in line with LBC Local Plan requirements and have been designed to comply with Lifetime Homes and the relevant accessible housing standards set out within the LBC Local Plan.
- 3.18 The Social Affordable accommodation will meet the needs of a range of households, including very large households of up to six people. A total of 74% of the units will be delivered as 'family-sized' housing, exceeding the policy requirement of 50% for Social Affordable housing.
- 3.19 The Intermediate Housing units will also meet the needs of smaller households through the provision of one bed units, whilst also maintaining flexibility for both sharing households and smaller families.



- 3.20 The requirement to ensure that 10% of all residential units are wheelchair accessible has been met through the provision of 4 units across the affordable housing offer.
  
- 3.21 In the following section, we consider the affordability of these units for households.

## 4 Affordability of Accommodation

### Introduction

- 4.1 In this section the Social Affordable and Intermediate Housing is considered in further detail.

### Social Affordable Housing

#### London Affordable Rent

- 4.2 It is proposed that the Social Affordable element of the Scheme will have rental levels that will be set in line with the London Affordable Rent ('LAR') figures, as specified in the GLA's Homes for London Investment Prospectus (2016). The units will be set at rent levels in line with the 2020-21 benchmarks. These reflect the formula rent cap figures for social rents uprated by CPI for September 2016, plus one per cent.
- 4.3 The proposed rent levels are in line with those originally submitted and are set out in the following table.

**Table 4: London Affordable Rent Levels 2021-22**

Unit Size	London Affordable Weekly Rents Benchmark Levels (£)	Approx. Annual Household Income
2 Bed	£161.71	<b>£30,135</b>
3 Bed	£171.20	<b>£31,903</b>

Source: Homes for Londoners Investment Prospectus (2016), 2021-22 LARs.

- 4.4 The rents will be subject to annual increases in line with the GLA formula of CPI plus one per cent.
- 4.5 As service charges are paid in addition to the rental charge, it is anticipated that the level of service charge will be set at a reasonable and affordable level. The internal design and communal amenity space will be designed in a way that ensures durability and low maintenance ensuring service charges are kept to a minimum.

### **Intermediate Housing**

- 4.6 It is noted that LBC have a comprehensive policy regarding the required rental levels and subsequent affordability and income thresholds that would be required to afford these.
- 4.7 The requirements are set out further in the CPG (2021) and specify that all providers should adopt an approach to Intermediate Rent with a range of rent levels from 40% to 80% of market rent to secure scheme viability, whilst ensuring that a majority of provision is affordable to households with incomes between £30,000 and £40,000 (as adjusted by wage inflation).
- 4.8 The guidance also confirms that a small proportion of the homes could be provided at rents affordable to households with higher incomes but should not exceed the maximum of £60,000 adopted in the Mayor's Affordable Housing and Viability SPG (August 2017).
- 3.4 The weekly rental levels, inclusive of service charges, were calculated in line with GLA requirement that:
- *No more than 3.5 times the household income threshold to buy;*
  - *No more than 40% of net household income including rent and service charges (with net income assumed to be 70% of gross income).*
- 3.5 It is proposed that the 2 bed (4 person) units will be allocated to a mixture of families and sharers. It is assumed that there will be two adults on a total household income level of c.£46.5k per annum; a proportion of the 2 bed (4 person) will be directed towards sharers on a total household income of £60k, assuming that each household will not earn more than £30,000 per annum in total.

3.6 The proposed rental levels for the Affordable Intermediate Rented units and the annual household income that will be required to afford these requirements are set out in the following table.

**Table 5: Proposed Weekly Intermediate Rents and Annual Household Income**

Unit Type	Weekly Rent	Annual Household Income
1 Bed (2P)	£185	£34,475
2 Bed (3P)	£215	£39,913
2 Bed (4P)	£250	£46,589
2 Bed (4P)	£323	£59,962 (c. £30k per room)

Source: CPG and GE

3.7 All rents are inclusive of service charges and represent the weekly cost of housing for the household.

3.8 The above affordability assumptions are estimated at this stage and are subject to change. They are considered reasonable based on the current GLA and LBC income and affordability requirements.

## Summary

4.9 The affordability of the Affordable Intermediate Rented units has been set in line with the LBC HIS, the CPG (2021) and the wider GLA affordability criteria. The units will be accessible to households earning £35,000 up to £40,000 per annum for 1 to 2 bed (3P) units, £46k for 2 bed (4P) family units and up to £60,000 for two sharers, assuming that the households do not spend more than 40% of their net income on housing costs.

## 5 Conclusion

- 5.1 The revised affordable housing offer set out in this Addendum remains at the same level as within the original offer at 50%, in terms of number of habitable rooms for the wider Scheme. It has however changed the tenure mix from 60:40 intermediate to social affordable rented split, to 40:60 intermediate to social affordable rented split.
- 5.2 The affordable residential accommodation will be located within a standalone block (Block A) comprising a total of 28 units, delivered as a mix of both Social Affordable Rent and Intermediate Rented, in line with LBC's policy requirements.
- 5.3 The proposed affordable tenure mix will meet the needs of a wide range of households, with single occupants through to larger families accommodated across the various unit types.
- 5.4 The proposed LAR levels will meet LBC and GLA policies for Social Affordable Housing for Rent and the affordability requirements associated with this.
- 5.5 The Intermediate Housing will be provided as Intermediate Rent. The proposed household income requirements for this product are within the LBC and GLA requirements and will be accessible to households on incomes of between £30,000 - £40,000 per annum. Accommodation for sharers will also be provided, up to the £60,000 per annum income cap.