

88 & 100 Gray's Inn Road and 127 Clerkenwell Road  
London WC1X 8AL  
Lawnmist Limited  
Affordable Housing Statement

## **88 & 100 Gray's Inn Road and 127 Clerkenwell Road, WC1X 8AL**

On behalf of Lawnmist Limited

Date: September 2022

### **Affordable Housing Statement**

U0020483

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<b>Contents</b>	<b>Page</b>
<b>1 Introduction and Instructions</b>	<b>4</b>
<b>2 The Site and Proposed Development</b>	<b>5</b>
<b>3 Planning Context</b>	<b>8</b>
<b>4 Financial Viability and overall Affordable Housing Proposal</b>	<b>17</b>
<b>5 Detailed Affordable Housing Proposal: Tenure and Mix of Units</b>	<b>19</b>
<b>6 Detailed Affordable Housing Offer: Income Levels &amp; Affordability</b>	<b>24</b>
<b>7 Conclusion</b>	<b>27</b>

## Tables

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Table 1: Proposed Accommodation Summary

Table 2: Affordable Residential Summary

Table 3: Sliding Scale for Affordable Housing Percentage Levels Totals

Table 4: LBC Policy H7 – Dwelling Size Priorities

Table 5: Proposed Affordable Housing Offer

Table 6: Social Affordable Unit and Habitable Room Breakdown

Table 7: Intermediate Rent Unit and Habitable Room Breakdown

Table 8: Social Affordable Unit Mix Requirements and Scheme Proposals

Table 9: Average Sizes- Unit Type

Table 10: Wheelchair Accessible Units

Table 11: London Affordable Rent Proposed Rent Levels

Table 12: Proposed Weekly Intermediate Rents and Annual Household Income

## **1 Introduction and Instructions**

- 1.1 Gerald Eve LLP is instructed by Lawnmist Limited, ("the Applicant") to produce an Affordable Housing Statement ('AHS') in support of a planning application ("the Application") for the demolition of 100 Gray's Inn Road and 127 Clerkenwell Road and the erection of a mixed-use office led development and the use of upper floors of Gray's Inn Road for housing and ground floor as offices ("the Site").
- 1.2 This Affordable Housing Statement is submitted on behalf of the Applicant and has been prepared in support of the detailed planning application.
- 1.3 The remainder of this report is set out as follows:

### **2) The Proposed Scheme**

### **3) Local Planning Context: Affordable Housing**

### **4) Financial Viability and Overall Affordable Housing Proposal**

### **5) Detailed Affordable Housing Proposal: Tenure and Mix of Units**

### **6) Detailed Affordable Housing Proposal: Rental Levels and Affordability**

### **7) Conclusion**

## 2 The Site and Proposed Development

### Location

- 2.1 The site is located at the Gray's Inn Road / Clerkenwell Road junction to the south of the Knowledge Quarter and to the north of Chancery Lane underground station. It lies within the administrative boundary of London Borough Camden in a prominent Central London setting. It is bound by Clerkenwell Road to the north, Gray's Inn Road to the west, Portpool Lane to the south and the Bourne Estate to the east, the latter being Grade II listed. The entirety of the site lies within the Hatton Garden Conservation Area.
- 2.2 The Site comprises three buildings located at the southeast corner of the Gray's Inn Road and Clerkenwell Road junction.
- 2.3 No. 100 Gray's Inn Road is the corner property which has seven levels above the ground floor. It is slightly recessed from the building line on Clerkenwell Road as there are four prominent, albeit bowed, trees in front of the property. There are three ground floor retail (Class E) units and entrances either side of these which provide access to the office (Class E) floors above.
- 2.4 No. 127 Clerkenwell Road is a relatively modern red brick office building which has six upper levels. The front facade includes a number of arched features and brick / stone detailing which form a pastiche traditional design which reflects the style of the neighbouring property at no. 125.
- 2.5 No. 88 Gray's Inn Road is a four-storey building located to the rear of the site, accessed via an undercroft located underneath existing residential properties located on Gray's Inn Road. The building is used as office accommodation (Use Class E).
- 2.6 A detailed description of the Site and its surroundings is contained within the Planning Statement. A summary of the planning application is therefore provided in the section below.

## The Planning Application

2.7 In summary, the proposed development is seeking detailed planning permission for:

The description of the proposal is set out as follows:

**“Demolition of 100 Gray’s Inn Road and 127 Clerkenwell Road and the erection of a mixed-use office led (Class E) development comprising a basement, ground plus eight storey building for flexible retail / restaurant / office uses at ground floor and basement (Class E), basement excavation, provision of roof terraces, external plant equipment and enclosures, servicing bay, waste storage, cycle parking, public realm works; partial demolition and extension of 88 Gray’s Inn Road for use of the upper floors for housing (Class C3) and ground floor as offices (Class E) with associated external alterations and associated works.”**

2.8 A summary of the proposed uses is set out in the following table.

**Table 1: Proposed Accommodation Schedule**

Use	Areas (GIA)
Affordable Housing (88 GIR)	823 sqm
Office (100 GIR)	11,895 sqm
Retail (100 GIR)	364 sqm
Retail/ Restaurant/ Office	814 sqm

Source: Piercy & Company

## Affordable Housing

2.9 A summary of the unit breakdown within the block is provided in the following table.

**Table 1: Site Wide Affordable Residential Summary**

Affordable Residential Unit Type	Total Units	Total Floor Space (Sqm NIA)
<b>1B 2P</b>	2	138
<b>2B4P</b>	2	166
<b>3B 5P</b>	2	211
<b>Total</b>	<b>6</b>	<b>515</b>

Source: Piercy & Company

2.10 All of the affordable housing will be located at 88 Gray's Inn Road.

### 3 Planning Context

#### Introduction

- 3.1 In this section we provide a brief overview of relevant planning background to the Scheme. A more detailed assessment is contained within the Planning Statement, which has been submitted to the London Borough of Camden ('LBC') as part of the Application.
- 3.2 This section also provides an overview of key planning policies associated at national, regional and local level including an overview of the planning background relating to the Application. Additional reference should be made to the National Planning Policy Framework ('NPPF'), the Planning Practice Guidance ('PPG'), the London Plan, the Mayor's Housing SPG, LBC's local policies as well as the New London Plan.
- 3.3 The affordable housing strategy for the Application has been set in accordance with National and Regional Planning Policy guidance and has had regard for the following:
- National Planning Policy Framework (2021), ('NPPF')
  - The London Plan (2021).
  - Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017), ('SPG')
- 3.4 Locally, it has also had regard for the following LBC policies and guidance:
- Camden Local Plan (July 2017)
  - Camden Planning Guidance Housing (as amended January 2021) (CPGH3)
- 3.5 The following evidence base, Housing Strategy and funding programme documents have also been considered:
- Camden– Intermediate Housing Strategy (Cabinet Report, April 2016) ('IHS')



## National Planning Policy Framework

- 3.6 The National Planning Policy Framework (“**NPPF**”), originally published in March 2012 and revised in February 2019, 2021, sets out the Government’s planning policies for England and how these are expected to be applied. The NPPF has a clear presumption in favour of sustainable development and in determining planning applications local planning authorities should take account of this.
- 3.7 The NPPF recognises the place of viability testing, in both plan-making and decision-making.
- 3.8 Paragraph 41 of the NPPF looks to guide Authorities to address and resolve planning issues at the pre-application stage, including the need to deliver improvements in infrastructure and affordable housing.
- 3.9 Paragraph 58 of the NPPF states: -
- “Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”*
- 3.10 National Planning Policy Guidance (NPPG) refers to viability under Planning Obligations (published 19 May 2016) and Viability (published 6 March 2014 and updated 24 July 2018).

## **London Plan (2021)**

- 3.11 The London Plan is the Regional Spatial Strategy for Greater London defined to include the 32 Boroughs and the City of London.
- 3.12 The Examination in Public on the Draft New London Plan was held between 15th January and 22nd May 2019. The Panel of Inspectors appointed by the Secretary of State issued their report and recommendations to the Mayor on 8th October 2019.
- 3.13 On 21 December 2020, the Mayor formally approved the new London Plan, the 'Publication London Plan', which was prepared to address the Secretary of State for Housing, Communities and Local Government's directions of the 13 March 2020 and 10 December 2020 to the Intend to Publish plan. Whilst the regional component of the development plan remains the London Plan (consolidated with alterations from 2016), Rt Hon Robert Jenrick confirmed on 29 January 2021 the Intend to Publish version contained the necessary modifications to conform with previously issued directions and can be formally published.
- 3.14 The London Plan was formally adopted on 2<sup>nd</sup> March 2021.
- 3.15 The London Plan promises to change one of the key foundations of planning policy for development in Greater London. A principal concept in the London Plan is "Good Growth," which is defined as "sustainable growth that works for everyone" to improve the health and quality of life for all Londoners, and in particular by rebalancing housing development towards more genuinely affordable homes for Londoners to buy and rent.
- 3.16 The new London Plan Policy H5 states that the strategic target is for 50 per cent of all new homes delivered across London to be genuinely affordable. Specific measures to achieve this aim include:
- requiring residential and mixed-use developments major developments which trigger affordable housing requirements to provide affordable housing through the threshold approach;
  - using grant to increase affordable housing delivery beyond the level that would otherwise be provided.

- 3.17 The new London Plan with suggested minor changes sets out the policy in relation to the required tenure split under Policy H7. This includes the following:
- Minimum of 30 per cent low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes;
  - a minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared Ownership;
  - The remaining 40 per cent to be determined by the borough as low cost rented homes or intermediate products based on identified need.
- 3.18 The policy also emphasises the Mayor's priority to deliver "*genuinely affordable housing*" including all of the affordable housing products listed in the above section.
- 3.19 The policy also sets out the annual household income requirements and affordability levels.
- 3.20 For dwellings to be considered affordable, annual housing costs, including mortgage (assuming reasonable interest rates and deposit requirements), rent and service charge, should be no greater than 40 per cent of new household income.
- 3.21 The new London Plan is aligned to the GLA's SPG for Affordable Housing and Viability which is discussed in the following section.

#### **Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017)**

- 3.22 The Mayor's Housing SPG (March 2016) has been updated to reflect the London Plan consolidated with alterations (2016). It provides updated guidance on a range of strategic policies including housing supply, residential density, housing standards; build to rent developments, student accommodation and viability appraisals. This SPG replaces the Mayor's Housing SPG 2012 and the Mayor's Housing Standards Policy Transition Statement.
- 3.23 In August 2017 the Mayor published the final SPG. We have therefore had regard to the SPG in this statement.

3.24 The key theme from the SPG is the GLA's flexibility with regards to tenure mix on new developments. Point 2.40 of the document refers to the following flexibility allowed in regard to tenure mix is applied to the scheme.

- 30% low-cost rent (social rent or affordable rent) with rent set at levels that the LPA considers genuinely affordable;
- 30% as Intermediate products, with London Living Rent and/ or shared ownership being the default tenures assumed in this category;
- The remaining 40% to be determined by the relevant LPA.

3.25 Further guidance on the above tenures as rental levels is discussed in Section 6 of this statement.

### **Local Planning Policy**

#### Local Plan (July 2017)

3.26 At the local level, the Camden Local Plan (July 2017) sets out the strategic policies for the borough. It replaces the former Core Strategy and Development Policies Document as the basis for planning decisions and future development in the borough.

3.27 Policy H1 (*Maximising Housing Supply*), of Camden's Local Plan (July 2017), sets out the Council's overall borough-wide strategic target to meet or exceed a total of 16,800 additional homes from 2016/17-2030/31, including 11,130 additional self-contained homes. Within this, the policy indicates that where sites are underused or vacant, the council will expect the maximum reasonable provision of housing that is compatible with other uses on the site.

3.28 Policy H2 (*Maximising the supply of self-contained housing from mixed-use schemes*), supports the policy aims of Policy H1. Where housing is required as part of a mix of uses, if 1,000 sqm (GIA) of additional floor space or more is proposed, self-contained housing is required to be provided on site.

- 3.29 Within this policy, in the Central London Area and the town centres of Camden Town, Finchley Road/ Swiss Cottage and Kilburn High Road, where development involves additional floor space of more than 200 sqm (GIA), the council will require 50% of all additional floor space to be self-contained housing, subject to site specific conditions. The site lies within the Central London Area.
- 3.30 Policy H3 (*Protecting Existing Homes*), focuses on protecting all housing floorspace where people live long term. It also seeks to protect individual self-contained houses and flats (Use Class C3) and individual houses and flats shared by 3-6 occupiers who share facilities (houses in multiple occupation or HMOs, Use Class C4).
- 3.31 Policy H4 (Maximising the supply of affordable housing), sets out the council's objective to achieve a contribution to affordable housing from all developments that provide one or more additional home and include a total addition to residential floor space of 100 sqm GIA or more. In these instances, the Council will seek to negotiate the maximum reasonable amount of affordable housing on the following basis:
- *Guideline mix of affordable housing types is 60% social-affordable rented housing and 40% Intermediate;*
  - *Targets are based on an assessment of development capacity whereby 100 sqm (GIA) of housing floorspace is generally considered to create capacity for one home;*
  - *Targets are applied to additional floorspace proposed, not existing or replacement;*
  - *Sliding scale target applies to developments that provide one or more additional homes and have capacity for fewer than 25 additional home;*
  - *An affordable housing target of 50% applies to developments with capacity for 25 or more additional dwellings;*
  - *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;*
  - *Where developments have capacity for fewer than 10 additional dwellings, the Council will accept a payment-in-lieu of affordable housing;*

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

All of the above requirements are subject to assessment on a site-by-site basis.

**Table 3: Sliding Scale for Affordable Housing Percentage Targets**

<b>Floorspace range</b> 1 or more additional homes with an additional residential floorspace of...	<b>Capacity</b> (rounded floorspace addition ÷ 100 sq m)	<b>Affordable housing percentage target</b> (capacity x 2%)
... 100 sq m GIA and above, but less than 150 sq m GIA	1 additional home	2%
... 150 sq m GIA and above, but less than 250 sq m GIA	2 additional homes	4%
... 450 sq m GIA and above but less than 550 sq m GIA	5 additional homes	10%
... 950 sq m GIA and above but less than 1,050 sq m GIA	10 additional homes	20%
... 1,450 sq m GIA and above but less than 1,550 sq m GIA	15 additional homes	30%
... 1,950 sq m GIA and above but less than 2,050 sq m GIA	20 additional homes	40%
... 2,450 sq m GIA and above	25 additional homes or more	50%

Source: CPGH3.

3.32 Policy H7 (*Large and Small Homes*), seeks to secure a range of homes of different sizes that will contribute to the creation of mixed, inclusive and sustainable communities and reduce mismatches between housing needs and existing supply.

3.33 The Council's overall preference is set out in the Dwelling Size Priorities table at point 3.189. The table is based on the outputs of the Camden Strategic Housing Market Assessment. An extract from this table, focusing specifically on affordable housing is set out below.

**Table 4: Local Plan – Policy H7, Dwelling Size Priorities**

Tenure	1 Bed (or Studio)	2 Bedroom	3 Bedroom	4 Bedroom (or more)
Social-Affordable	lower	high	high	medium
Intermediate	high	medium	lower	lower
Market	medium	high	high	lower

Source: LB Camden Local Plan (2017)

3.34 The above table indicates that the greatest requirement in the market sector is likely to be for two- or three-bedroom homes, followed by one-bedroom homes/studios. The greatest requirement in the social-affordable (social) sector is likely to be for two- and three-bedroom homes followed by homes with four bedrooms or more albeit that in respect of Intermediate homes, there is a greater requirement for 1 bedroom and 2-bedroom homes.

**Camden Planning Guidance Housing (January 2021)**

3.35 The Camden Planning Guidance Housing (CPGH3) was published in January 2021. It provides a Supplementary Planning Document (SPD) that is in line with the Local Plan. This updated version replaces CPG2 Housing (as amended March 2019) and Interim Housing CPG March 2019.

3.36 It is an additional ‘material consideration’ in planning considerations but it should be noted that the Local Plan carries more statutory weight than the CPGH3. Where there are conflicting policies, the Local Plan will prevail.

**Summary**

3.37 A review of national, regional and local policies demonstrates that LBC is generally aligned with national and GLA policies.

3.38 The affordable housing policy agenda has undergone important change at the London level, with the emergence of GLA policy through the SPG. The SPG supports flexibility within affordable housing offers and encourages LPAs to adopt this strategy.

- 3.39 The London Plan (2021) reflects this approach also.
- 3.40 Under the local policies LBC seeks the maximum provision of affordable housing on all mixed-use developments with a capacity for more than 10 dwellings or 1,000 sqm (gross) of additional floor space.
- 3.41 LBC seeks Schemes containing 60% Social-Affordable and 40% Intermediate.
- 3.42 The Unit mix specified places an emphasis on larger family sized accommodation for the Low Cost Rented (Social-Affordable) units, with a more flexible, site-specific approach for the Intermediate Rented units.



## 4 Financial Viability and overall Affordable Housing Proposal

### Introduction

- 4.1 In this section of the report the proposed affordable housing offer is set out.
- 4.2 In accordance with planning policy, the level of affordable housing that can be supported by the proposal is determined by scheme viability.
- 4.3 The development proposes to deliver 823 sqm of affordable housing, which equates to 6 units.
- 4.4 The current floorspace figures show a total increase in residential floorspace of 823 sqm (GIA) which will be provided as affordable housing. The requirement for this is generated by Policy H2, which is Camden's mixed-use policy – which requires schemes to provide 50% of total uplift as residential. Policy H4 goes on to require schemes which provide an uplift in residential floorspace of between 100 sqm and 2,500 sqm GIA to provide an amount of affordable housing based on a sliding scale. Based on the proposed areas, the mixed-use policy and sliding scale require the delivery of 905 sqm GIA of affordable housing and the scheme proposes 823 sqm GIA of affordable housing as part of the provision of six flats at 88 Gray's Inn Road – this is a minor shortfall of 82 sqm GIA.
- 4.5 The affordable housing will have a tenure split of 68% Low Cost Rented (Social-Affordable Rented), and 32% Intermediate Rented within this, when assessed on a floorspace basis
- 4.6 The breakdown in terms of the provision of units on site is set out in the following table.

**Table 5: Summary of Affordable Housing Offer**

Tenure	No. of Units
Low-Cost Rent	4
Intermediate Rent	2
<b>Total</b>	<b>6</b>

Source: Piercy & Company

## **Summary**

- 4.7 The affordable housing provision of 823 sqm GIA of the Scheme's floorspace has been assessed on the basis of financial viability, in accordance with Policy H2 and H4 of Camden's Local Plan. This equates to 6 units that will all be delivered on-site as Low-Cost Rent (Social Affordable) and Intermediate Rent.

## 5 Detailed Affordable Housing Proposal: Tenure and Mix of Units

### Introduction

- 5.1 This section provides further detail on affordable housing requirements in LBC. The Applicant's affordable housing proposal is then discussed in relation to this.

### Affordable Housing Definition

- 5.2 The NPPF (2021) defines affordable housing as follows:

*“Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)”. (NPPF, 2021).*

### Affordable Housing Tenure and Types

- 5.3 There are a wide range of affordable housing products that can be delivered to accommodate households with different needs and income levels. All affordable housing products fall into two broad categories; social housing and intermediate housing.
- 5.4 Affordable Rent and Intermediate Rent are the housing products proposed for this Scheme, in line with Camden's policy requirements.

#### Low Cost Rented (Social/ Affordable Housing)

- 5.5 In line with the NPPF, affordable housing for rent is set in accordance with Government's rent policy for Social Rent (SR) or Affordable Rent (AR) or is at least 20% below local market levels.
- 5.6 SR homes are for households on low incomes where the rent levels are based on the formulas in the Social Housing Regulator's Guidance. The rent levels for SR homes use a capped formula (SPG).
- 5.7 AR homes represent a discount of up to 80% market levels.
- 5.8 A breakdown of the proposed Low-Cost Rent (Social Affordable) units is set out in Table Four.

**Table 6: Low Cost Rented (Social Affordable) and Habitable Room Breakdown**

Unit Type	No. Units	No. Habitable Rooms
1B/2P	2	4
2B/4P	0	
3B/5P	2	8
<b>Totals</b>	<b>4</b>	<b>12</b>

Source: Piercy & Company

Intermediate Housing

5.9 Intermediate Housing includes:

*“Intermediate housing includes ‘low-cost home ownership’ products and ‘discount market rent’ products” (pp.24).*

5.10 A breakdown of the proposed Intermediate Rented units is set out in Table Six.

**Table 7: Intermediate Rented Unit and Habitable Room Breakdown**

Unit Type	No. Units	No. Habitable Rooms
2B4P	2	6
<b>Totals</b>	<b>2</b>	<b>6</b>

Source: Piercy & Company

**Location of Units**

5.11 The affordable housing will be in one location, at 88 Gray's Inn Road on levels one to three.

5.12 The units will be accessible by lift as well as stair and in line with LBC's Policy.

**Mix of Units**

5.13 As this Scheme will provide both Low Cost Rented (Social Affordable) and Intermediate Rented accommodation, it is useful to analyse the proposed mix in relation to the unit mix requirements set by the Council.

- 5.14 It should be noted that the Applicant undertook extensive engagement during the pre-planning application process and consulted with the Council on the proposed unit mix offered.
- 5.15 As set out above, the Council seeks the provision of a mix housing sizes, both large and small units, as set out in Policy H7.
- 5.16 CPGH3 (January 2021) is more descriptive and confirms the overall unit mix objectives for both tenures.
- 5.17 The following table sets out both the CPGH3 unit mix requirements along with a comparison on what the Scheme is proposing to deliver, in respect of the Low Cost Rented (Social Affordable) accommodation.

**Table 8: Low Cost Rented (Social Affordable) Unit Mix Requirements and Scheme Proposals**

Unit Type	No. Units	% of Units	CPG3 Housing Unit Mix Requirements
1B/ 2P	2	50%	No more than 15%
2B/3P			35%
2B / 4P			
3B/ 5P	2	50%	30% or 50% if no 4 bed-room homes provided
4B/5B			
<b>Totals</b>		<b>100%</b>	<b>100%</b>

Source: Piercy & Company/ CPGH3

- 5.18 The above table demonstrates that the Scheme meeting policy in terms of the provision of larger family units, with 50% of the Low Cost Rented (Social Affordable) units being delivered as 3-bedroom and above, units, in line with the Council's requirements.
- 5.19 The CPGH3 is less prescriptive on the Intermediate unit mix and sets out the following broad requirements:
- *Studios/ 1 Beds: A substantial proportion is expected in all schemes;*

- *2 Bed: A proportion of high quality two-bedroom/four person homes may be included where they are genuinely suitable for sharers and dedicated to letting on a shared basis to two eligible households;*
- *3 Bed: Generally we will not support provision of intermediate homes with three bedrooms or more*

5.20 It is evident that the Intermediate offer provided as part of this Scheme is in accordance with the above criteria.

5.21 A proportion of the units will be delivered as high quality 2 beds, equating to 100% of the intermediate offer. They will comprise of two 2 bed/ 4 person units.

5.22 The Scheme proposes an excellent mix of units, in line with the planning policy requirements to meet a variety of housing needs, across both the Low Cost Rented (Social Affordable) and Intermediate tenures.

**Design of the Units**

5.23 The affordable housing units have been designed in accordance with the London Plan and the GLA's Supplementary Planning Guidance.

5.24 The following tables sets out the average sizes, per unit type against the minimum space

**Table 9: Average Sizes- Unit Type**

Unit Type	No. Units	Average Unit Size in Scheme sqm
1 Bed	2P	50
1 Bed	2P ACC	87
2 Bed	4P	83
3 Bed	5P	106

Source: Piercy & Company

5.25 All the proposed units exceed the minimum space standards for new dwellings, demonstrating the quality of the housing.

**Wheelchair Accessible Units**

- 5.26 As required by Camden Policy H6 and accompanying paragraphs 3.154-3.155, one 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. The remaining two units will be adaptable in accordance with Building Regulation M4(3)(2a).
- 5.27 The following table sets out the breakdown of wheelchair units, which will all be allocated within the Low Cost Rented (Social Affordable) tenure, on Level 02.

**Table 10: Wheelchair Accessible Units**

Unit Type	No. Units
1B2P ACC	1
<b>Total</b>	<b>1</b>

Source: Piercy & Company

**Summary**

- 5.28 In general terms, the design it is intended to deliver a range of unit sizes across the development. The design mediates between the Local Plan and need to deliver a high proportion of affordable housing and maximum number of units overall, as well as the wish to maximise the number of units delivered in an acceptable planning volume.
- 5.29 The Scheme delivers a range of different sized accommodation, including 1 bed to 3-bedroom units. Unit sizes are in line with Camden Local Plan requirements and have been designed to comply with Lifetime Homes and the relevant accessible housing standards set out within the Camden Local Plan.
- 5.31 The Low Cost Rented (Social Affordable Rented) accommodation will meet the needs of a range of households, including family households.
- 5.32 The Intermediate Rented accommodation will meet the needs of a wide range of households, ranging from smaller families or potentially sharers living in the 2bed (4p) units.
- 5.33 The requirements to ensure that 10% of all residential units are wheelchair accessible has been met through the provision of 1 unit within the Low Cost Rented (Social Affordable) tenure.

## 6 Detailed Affordable Housing Offer: Income Levels & Affordability

### Introduction

6.1 In this section the affordability of the proposed tenure split is considered in further detail.

#### Low Cost Rented (London Affordable Rent)

6.2 It is proposed that the Low Cost Rented (Social-Affordable) element of the Scheme will have rental levels that will in set in line with the London Affordable Rent ('LAR') figures, as specified in the GLA's Homes for London Investment Prospectus and CPGH3. The units will be set at rent levels in line with the 2022-23 benchmarks. These reflect the formula rent cap figures for social rents uprated by CPI for September 2016 plus one per cent.

**Table 11: London Affordable Rent Levels**

Unit Type	No. Units
1 Bed	£168.08
3 Bed	£180.72

Source: Homes for Londoners Investment Prospectus (2016) and GLA Website

### Service Charges

6.3 As defined in para 3.21 of the CPGH3 'service charges' are levied by landlords to recover the costs they incur in providing services to a building. These costs will include matters such as general maintenance and repairs, insurance of the building and, where the services are provided, central heating, lifts, lighting and cleaning of common areas.

6.4 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.



- 6.5 In order to calculate the estimated total weekly housing costs, an assumption of £2.20 psf service charge has been included in the table in line with market norms. Please note that this could be subject to change once the detailed design and scheme specifications are completed.

### **Intermediate Rent**

- 6.6 It is noted that Camden has a comprehensive policy regarding the required rental levels and subsequent affordability and income thresholds that would be required to afford these.
- 6.7 The requirements are set out further in the CPGH3 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 £31,950 and £42,600 with gross incomes of no more than £60,000 (as adjusted by wage inflation). This is in line with Paragraph 3.40 of the CPGH3.
- 6.8 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).
- 6.9 The weekly rental levels, inclusive of service charges, were calculated in line with GLA's and CPGH3 requirement (para 3.10) 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).
- 6.10 The 2 bed (4 person) units will be affordable to households on income levels of c.£42,000 - £60,000 per annum. This equates to a cost of approximately £230 - £321 per week, in line with Camden's rental requirements.
- 6.11 The proposed rent levels for the Intermediate Rented units and the annual household income that will be required to afford these, based on the assumptions set out in paragraph 6.9, are set out in the following table.

**Table 11: Proposed Weekly Intermediate Rents and Annual Household Income**

Unit Type	Weekly Rent	Annual Household Income
2 Bed (4P)	£230	£42,000
2 Bed (4P)	£321	£60,000

Source: CPGH3 and GE

- 6.12 All rents are inclusive of service charges and represent the weekly cost of housing for the household.
- 6.13 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**

- 6.14 The LAR units will meet the affordability requirements of both the Council and the GLA and are considered to be “*genuinely affordable*”.
- 6.15 The affordability of the Intermediate Rented units has been set in line with the Camden HIS, the IHCPG and the wider GLA affordability criteria. The units will be accessible to households earning £42,000 to 60,000 per annum for the 2 bed (4P) units, assuming that they do not spend more than 40% of their net income on housing costs.

## **7 Conclusion**

- 7.1 Affordable housing is an important element in the proposed delivery of the scheme.
- 7.2 A total of 823 sqm (GIA) or 6 units of residential are proposed part of this development.
- 7.3 The affordable residential accommodation will be located in the 88 Gray's Inn Road Building, totalling 6 units on site, delivered as a mix of both Low Cost Rented (Social Affordable) and Intermediate Rented, in line with Camden's policy requirements.
- 7.4 The provision of 6 units will be split between Low Cost Rented (Social- Affordable) and Intermediate units equating to 67/33% split by units, 68%/ 32% split in terms of floorspace and 66%/ 34% when considered on a habitable room basis. The offer therefore broadly meets policy requirements of 60% Low Cost Rented (Social Affordable) and 40% Intermediate.
- 7.5 The Low Cost Rented (Social-Affordable) housing will be delivered as LAR in line with local and GLA policy guidance.
- 7.6 The Intermediate housing will be provided as Intermediate Rent. The proposed household income requirements for this product are within the Council and GLA requirements and will be accessible to households on income of c.£42,000 per annum (Para 3.40). Accommodation for sharers will also be provided, up to the £60,000 per annum income cap.
- 7.7 The Applicant has undertaken extensive consultation with the Council to design suitable affordable housing that will meet the needs of a wide range of households in housing need and can be effectively managed by a Registered Provider in the longer term.