Affordable Housing Statement 330 Gray's Inn Road, London, WC1X 8DA

On behalf of: <u>330 Gr</u>ay's Inn Road Limited

27th February 2023 Ref: U0017898/JAKI/FKI





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1 INTRODUCTION AND INSTRUCTIONS

- Gerald Eve LLP is instructed by 330 Gray's Inn Road Ltd, ("the Applicant") to produce an Affordable Housing Statement ('AHS') in support of an application under Section 73 of the Town and Country Planning Act 1990 ("the Application") for the former Royal National Throat, Nose and Ear Hospital, 330 Gray's Inn Road ("the Site").
- 1.2 This Affordable Housing Statement is submitted on behalf of the Applicant. It should be noted that the affordable housing offer in terms of quantum, mix of unit types and habitable rooms is the same as previously proposed under the original 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) Concluding Statement

2 THE PROPOSED SCHEME

Introduction

2.1 A detailed description of the Site and its surroundings is contained within the Planning Statement. A summary of the location and planning application is therefore provided in the section below.

Background

- 2.2 The site is bound to the north in part by the UCL Ear Institute and in part by Wicklow Street and railway cuttings to the east; Swinton Street to the south and Gray's Inn Road runs along the site's western boundary. The site sits towards the centre of the growing Knowledge Quarter within the eastern section of the area.
- 2.3 The site is currently occupied by a number of buildings which make up the former Royal National Throat, Nose and Ear (RNTNE) Hospital. The former hospital comprises a number of departments occupying buildings of different scales and ages. The hospital closed in October 2019 when services begun to transfer to the new Royal National ENT and Eastman Dental Hospitals on Huntley Street, London, WC1E 6DG. The site is currently vacant.
- 2.4 The Site has an existing lawful use as an Outpatient Hospital (Use Class E).

The Application

2.5 The Application, description of development proposes:

"Variation of Condition 2, 18, 31, 41 and 54 of planning permission ref 202/553/P for the '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 together with terraces; erection of a 10 storey building plus upper and lower ground floors (maximum height of 12 storeys) for use as residential 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 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.' NAMELY to enable amendments to the approved drawings list to enable an uplift in office/labs floorspace, a reduction in affordable workspace, amendments to the landscape design of the residential garden, a revised entrances on Wicklow Street, a revised arrangement to the loading bay on Wicklow Street, reconfiguration at basement level of the office/labs building, and increased cycle parking provision, and additional basement levels, reconfiguration of the roof level plant and enclosures, the addition of flues in addition to other associated works".

2.6 Full floor plans for the Scheme can be found in the Design and Access Statement which will be submitted alongside this application.

Land Use

2.7 The land uses proposed as part of the redevelopment are set out in the following table.

Table 1: Proposed Land Uses

Floor Areas	Floorspace m ² (GIA)		
Land Use (Use Class)	Existing Floorspace sqm (GIA)	Proposed Floorspace sqm (GIA)	Net change (Existing to Proposed) sqm (GIA)
Hospital (Class E)	12,811	0	-12,811
Ear Institute (Class E/F)	0	3,945	+3,945
Office/ Labs (Class E)	0	12,548 + 554 (AWS)	+12,548
Hotel (Class C1)	0	8,328	+8,328
Residential (Class C3)	0	7,452	+7,452
Office/ Labs/ Gym (Class E)	0	2,890	+2,890
Total	12,811	35,717	+19,930

Source: AHMM

- 2.8 The residential floorspace will be provided in two blocks, Block A and B. Block A will be delivered as 100% affordable housing. The provision equates to 28 affordable housing units.
- 2.9 A summary of the unit breakdown within the block is provided in the following table.

Table 2: Affordable Residential 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
Total	15	62	15,769	100%

Source: AHMM

3 PLANNING CONTEXT

Introduction

- 3.1 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, the London Borough of Camden's (LBC) local policies as well as the New London Plan.
- 3.2 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')
- 3.3 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)
 - Intermediate Housing Strategy and First Homes (November 2021) (IHSFH)
- 3.4 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

- 3.5 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.
- 3.6 The NPPF recognises the place of viability testing, in both plan-making and decision-making.
- 3.7 Paragraph 41 of the NPPF looks to guide Authorities to address and resolve planning issues at the preapplication stage, including the need to deliver improvements in infrastructure and affordable housing.
- 3.8 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. <u>It is up to the applicant to</u> <u>demonstrate whether particular circumstances justify the need for a viability assessment at the</u> <u>application stage</u>. 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. <u>All viability assessments, including any undertaken at the plan-making stage, should reflect the</u> <u>recommended approach in national planning quidance</u>, including standardised inputs, and should be made publicly available."

3.9 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)

- 3.10 The London Plan is the Regional Spatial Strategy for Greater London defined to include the 32 Boroughs and the City of London.
- 3.11 The London Plan was formally adopted on 2nd March 2021.

- 3.12 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.
- 3.13 The 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.
- 3.14 The 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.
- 3.15 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.
- 3.16 The policy also sets out the annual household income requirements and affordability levels.
- 3.17 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.

3.18 The 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)

- 3.19 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.
- 3.20 In August 2017 the Mayor published the final SPG. We have therefore had regard to the SPG in this statement.
- 3.21 The key theme from the SPG is the GLA's flexibility with regards to tenure mix on new developments. Point2.40 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.
- 3.22 Further guidance on the above tenures as rental levels is discussed in Section 6 of this statement.

Local Planning Policy

Local Plan (July 2017)

3.23 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.

- 3.24 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.
- 3.25 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.
- 3.26 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.
- 3.27 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).
- 3.28 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.

Floorspace range 1 or more additional homes with an additional residential floorspace of	Capacity (rounded floorspace addition ÷ 100 sq m)	Affordable housing percentage target (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%

Table 3: Sliding Scale for Affordable Housing Percentage Targets

Source: CPGH3

- 3.29 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.
- 3.30 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)

3.31 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. Similarly in the social-affordable (social) sector is also two- and three-bedroom homes followed by larger four bedrooms or more. The intermediate need is focused on 1 bedroom and 2-bedroom homes.

Camden Planning Guidance Housing (January 2021)

- 3.32 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.
- 3.33 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

- 3.34 A review of national, regional and local policies demonstrates that LBC is generally aligned with national and GLA policies.
- 3.35 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.
- 3.36 The London Plan (2021) reflects this approach also.
- 3.37 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.

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 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').
- 4.3 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.
- 4.4 The revised proposals provide 28 units as affordable housing across the Scheme, equating to 38% in terms of total unit numbers to be delivered which is the same as originally approved.
- 4.5 The revised proposed tenure split would equate to 46% Intermediate and 54% Social Affordable Housing unit numbers which is the same as originally approved.
- 4.6 When considered on a habitable room basis, this equates to 38.3% Intermediate and 61.7% Social Affordable which represents an over provision in comparison to policy which is the same as originally approved.
- 4.7 The affordable housing values have remained the same as within the original offer which were agreed with BPS due to limited changes in the market.

Tenure	No. of Units
Affordable Rent	15
Intermediate	13
Total	28

Table 4: Summary of Affordable Housing Offer

Source: The Applicant

Summary

4.8 The affordable housing offer of 50% is in accordance with Policy H4 of Camden's Local Plan. This equates to 28 units that will all be delivered on-site as Social Affordable and Intermediate Rent. The affordable housing offer is currently subject to financial viability.

5 DETAILED AFFORDABLE HOUSING OFFER- TENURE AND MIX OF UNITS Introduction

5.1 This section provides further detail on affordable housing requirements in the 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, 2018).

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 LBC's policy requirements.

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 Overall, a total of 15 Social Affordable Rented units will be provided, representing 54% of the total affordable housing offer on a unit basis.
- 5.9 A breakdown of the proposed Social Affordable Rented units is set out in Table Five.

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
Total	15	62	15,769	100%

Table 5: Social Affordable Unit Breakdown

Source: DAS

Intermediate Housing

5.10 Intermediate Housing includes:

"Intermediate housing includes 'low-cost home ownership' products and 'discount market rent' products" (pp.24).

- 5.11 Overall, a total of 13 Intermediate Rented units will be provided. This equates to 46% of the total affordable housing offer on a unit basis.
- 5.12 A breakdown of the proposed Intermediate Rented units is set out in Table Six.

Table 6: Intermediate Unit Breakdown

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
Total	13	31	8,590	100%

Source: DAS

Location of Units

5.13 The affordable housing will be located in Block A on levels one to five.

Mix of Units

- 5.14 As this Scheme will provide both 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.
- 5.15 It should be noted that the Applicant undertook extensive engagement with the Council's Housing Team during the pre-planning application process and consulted on the proposed unit mix offered.
- 5.16 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.
- 5.17 The Draft Housing CPG (2020) is more descriptive and confirms the overall unit mix objectives for both tenures.
- 5.18 The following table sets out both the CPG unit mix requirements along with a comparison on what the Scheme is proposing to deliver, in respect of the Social Affordable accommodation.

Table 7: Social Affordable Unit Mix Requirements and Scheme Proposals

Unit Type	No. Units	% Of Units	CPG - Housing (July 2020)
1B/ 2P	0	0	No more than 15%
2B/3P	0	0	250/
2B / 4P	1	14	- 35%
3B / 5P	6	86	30% or 50% if no 4 bed-room homes provided
Totals	7	100%	100%

Source: AHMM and CPH Housing (2020)

- 5.19 The above table demonstrates that the Scheme is over providing in terms of larger family units, with 86% of the Social Affordable units being delivered as 3-bedroom units, in line with the Council's requirements.
- 5.20 The IHCPG 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 limited proportion of high quality two-bedroom, four person homes may be included where they are genuinely suitable for sharers and dedicated to lettings on a shared basis to two eligible households;
 - 3 Bed or more: Will not support provision.
- 5.21 It is evident that the Intermediate offer provided as part of this Scheme is in accordance with the above criteria. A high proportion of 1 bed units have been included, equating to c.72% of the intermediate provision.
- 5.22 A proportion of high quality 2 bed units has also been included equating to 28% of the offer. They comprise of one 2 bed/ 3 person and six 2 bed/ 4 person units.
- 5.23 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 Social Affordable and Intermediate tenures.

Design of the Units

- 5.24 The affordable housing units have been designed in accordance with the London Plan and the GLA's Supplementary Planning Guidance.
- 5.25 The following tables sets out the average sizes, per unit type against the minimum space

Unit Type	No. Units	1 Storey Unit GIA sqm	Average Unit Size in Scheme
1 Bed	2P	50	51.8
2 Bed	3P	61	66
2 Bed	4P	70	81
3 Bed	5P	86	114.8

Table 8: Average Sizes- Unit Type

Source: London Plan (2021) and AHMM

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

Wheelchair Accessible Units

- 5.27 As required by Camden Policy H6, 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).
- 5.28 The following table sets out the breakdown of wheelchair units, which will all be allocated within the Social Affordable tenure, on the second floor of the building.

Table 9: Wheelchair Accessible Units

Unit Type	No. Units
2B4P	3
3B6P	1
Total	4

Source: AHMM

Summary

- 5.29 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.
- 5.30 The Scheme delivers a range of different sized accommodation, including 1 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 Social Affordable accommodation will meet the needs of a range of households, including larger households of up to five people.
- 5.32 The Intermediate accommodation will meet the needs of a wide range of households, ranging from single person to smaller families and potentially sharers living in the 2 bed (4p) units.
- 5.33 The requirements to ensure that 10% of all residential units are wheelchair accessible has been met through the provision of 4 units across both tenures.

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.

London Affordable Rent

6.2 It is proposed that the 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. 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.

Unit Type	No. Units
1 Bed	£168.34
2 Bed	£178.23
3 Bed	£188.13

Table 10: London Affordable Rent Levels

Source: Greater London Authority (2023)

6.3 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 Rent

6.4 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.

- 6.5 The requirements are set out further in the Camden Planning Guidance Housing (January 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).
- 6.6 This was further updated in the IHSFH guidance to reflect wage inflation and specifics the gross income range of £31,950 to £42,600 per annum.
- 6.7 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).
- 6.8 It is proposed that the 1 bed units will be affordable households earning £35,000 per annum.
- 6.9 The 2 bed (3 person) units will be affordable to households on income levels of £40,000 per annum.
- 6.10 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.
- 6.11 Finally, 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.

Table 11: Proposed Weekly Ir	ntermediate Rents and Annual Household Income
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Unit Type	Weekly Rent	Estimated 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, IHSFH 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 affordability of the Intermediate Rented units has been set in line with the Camden HIS, the CPG 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.

7 CONCLUSION

- 7.1 Affordable housing is an important element in the proposed delivery of the scheme.
- 7.2 A total of 7,452 (GIA) or 72 units of residential housing will be delivered as part of this development.
- 7.3 The affordable housing offer under Section 73 comprises of 28 units equating to 50% affordable housing, in terms of number of habitable rooms for the wider Scheme. This represents the same level of affordable housing in terms of unit numbers and habitable rooms as previously proposed under the original planning application.
- 7.4 A policy compliant tenure split of 61.7% Social Affordable and 38.3% Intermediate Rented is also being provided by habitable room.
- 7.5 The affordable residential accommodation will be located in a standalone block comprising a total of 28 units on site, delivered as a mix of both Social Affordable and Intermediate Rented, in line with Camden's policy requirements.
- 7.6 The Social-Affordable housing will be delivered as LAR in line with local and GLA policy guidance.
- 7.7 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 between £30,000- £40,000 per annum. Accommodation for sharers will also be provided, up to the £60,000 per annum income cap.

