

OS/NJ/DP5743

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Planning Policy
Environment and Community Services
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Dear Sir/Madam,

RE: WANDSWORTH LOCAL PLAN PUBLICATION VERSION - REGULATION 19 CONSULTATION

REPRESENTATIONS ON BEHALF OF GREYSTAR EUROPE HOLDINGS LTD, HALYCON DEVELOPMENT PARTNERS, DTZ INVESTORS AND FOLK CO-LIVING

Thank you for providing us with the opportunity to comment on the London Borough of Wandsworth's (LBW) Publication Version (Regulation 19) Local Plan. These representations have been prepared on behalf of our client, Greystar Europe Holdings Ltd, Halcyon Development Partners, DTZ Investors and Folk Co-Living.

Background

Greystar Europe Holdings Ltd

Greystar is a leading, vertically integrated real estate company that combines expertise in investment management, development and management of rental properties globally with a clear focus on resident experience. The benefit of investment, development and operations being under one roof at Greystar is that they can influence the design of their buildings from inception to create a best in class living environments. They have a wealth of data and insights as a result of being solely focused on rental residential for nearly 30 years. Greystar currently has a portfolio of over 4,000 Built to Rent (BtR) units across London with an array of partners. As you are aware, they have recently submitted an application for up to 547 shared living at 57-59 Lombard Road, Wandsworth, which is currently pending decision (Ref: 2021/4936).



Halcyon Development Partners

Halcyon have a combined 20 years of experience delivering shared living buildings. They have secured planning permission across London for a range of high quality and significant shared living schemes. They have recently delivered 222 shared living studios in Harrow and are currently delivering on-site 554 shared living studios in the London Borough of Wandsworth.

DTZ Investors

Established the COLIV fund in 2019; the world's first collective investment fund for shared living assets with a target fund size of £1bn. The fund has already acquired and funded 3 shared living assets in Harrow, Earlsfield and Battersea bringing forward almost 800 shared living studios in London.

Folk Co-Living

Recently launched London's first bespoke designed and constructed shared living building in Harrow, providing 222 studios alongside a variety of amenity spaces. In Wandsworth, Folk are currently preparing to launch a further 315 shared living studios in Earlsfield in autumn 2022 and 239 shared living studios in Battersea in spring 2023.

Policy LP29 – Housing with Shared Facilities

Part C of LP29 relates to large-scale purpose-built shared living accommodation (*sui generis*) and states that it will be “*generally resisted*” unless it meets the following criteria:

- 1) That it is proposed on a site which is not suitable for conventional housing;
- 2) It is clearly demonstrated that large-scale purpose-built shared living accommodation is better suited to meeting the local housing needs than conventional housing; and
- 3) It would not lead to an overconcentration of single-person accommodation at the neighbourhood level.

As per our previous representations, we maintain that phrasing of “*generally be resisted*” is inconsistent with the presumption in favour of sustainable development, contrary to paragraph 35 of the National Planning Policy Framework (NPPF). Furthermore, it is plainly inconsistent with Policy H16 of the London Plan which supports the principle of shared-living subject to addressing a series of criteria and recognises that this housing product can play a valuable role in meeting London's housing needs based on a 1.8:1 ratio. Policy LP29 therefore needs to be re-written to bring it in line with H16.

It is estimated that there are over c.1 million full time workers who presently live and work in London who would be able to afford this type of housing (ASHE 2021) assuming an average rent of c.£1,000 PCM (in line with that proposed by the respondent). Many of these individuals would not however be able to afford to buy or rent a one-bedroom home.



We acknowledge the Council’s concerns (as per its Regulation 18 consultation response) that “*a more permissive approach to large-scale purpose-built shared living could mean that they occupy sites which could otherwise be developed for conventional housing or other Local Plan priority uses*)” as well as precluding the delivery of genuinely affordable housing tenures, on the basis that it is non-self-contained accommodation. However, in reality, there are a very small number of other shared-living schemes coming forward in the borough, with the current or planned shared-living schemes in Wandsworth (excluding the application at 57-59 Lombard Road) providing just 1,040 shared-living units (and residents). This equates to only 0.3% of total residents (330,000) across the borough, as acknowledged by Officers in their assessment for shared-living application 2021/5013 at 3 Culvert Road. Secondly, shared-living schemes also secure a financial contribution towards affordable housing as per London Plan Policy H16 with the intention of being spent on C3 housing. On this basis, the Council’s overarching concern is clearly misconceived.

Addressing each of LP29’s criteria in turn:

Part 1 – suitable for conventional housing

This policy approach is not justified and is plainly unreasonable as any site that is suitable for shared living will also be suitable for conventional housing. The policy is clearly not positively prepared given that this criterion would effectively rule out any shared living schemes coming forward in the Borough.

Furthermore, this policy approach gives no consideration to the un-met needs of single person households and the important role in which single bedroom units play in reducing the pressure to convert and subdivide existing larger homes thereby indirectly freeing up converted (or informally shared) conventional homes best suited to families. In accordance with paragraph 4.10.4 of the London Plan which states “*One-bedroom units play a very important role in meeting housing need, and provision in new developments can help reduce the pressure to convert and subdivide existing larger homes*”.

Reduced demand for shared housing (where an enhanced quality alternative is provided) is evidenced by trends in Purpose Built Student Accommodation (PBSA). Over 1/3 of students now live in PBSA as a result of enhanced quality (Knight Frank 2021). Reduced demand for traditional shared housing reduces upward price pressure on rents and the long term returns achieved by buy to let landlords (making it more difficult for them to outbid families for conventional homes). This means existing buy to let homes can be returned to use as family homes when they are sold. It has also been established in recent co-living appeals that the delivery of this type of housing can free up family homes. In appeal reference APP/F5540/W/20/3260357 in LB Hounslow the inspector concluded that: “*It would assist in the*



delivery of different types of homes to meet the diverse needs of London’s communities. Further, it would serve to relieve pressure on shared private accommodation, such as houses in multiple occupation and thereby could release housing suitable for families. In this respect it would contribute towards mixed and inclusive neighbourhoods.” This is particularly important for LBW who have a higher proportion of converted housing (19.73%) than London as a whole (12.24%) (ONS 2021, Census 2011).

Part 2 – better suited to meeting housing need over conventional housing

Again, it would be impossible for any applicant to meet this criterion. Shared living meets a different type of housing need to that of conventional C3 housing. Paragraph 4.16.1 of the London Plan recognises that “*Large-scale shared living developments may provide a housing option for single person households who cannot or choose not to live in self-contained homes or HMOs*” and 4.16.3 goes on to state that “*This type of accommodation is seen as providing an alternative to traditional flat shares and includes additional services and facilities*”. Policy should therefore only be required to demonstrate that it meets an un-met need and suitable for shared-living on site, not that it is better suited to meeting the needs of conventional C3 housing. This approach is not sound or justified.

Paragraph 17.44 goes on to state that when considering whether shared-living would be located on a site which is suitable for conventional units the Council will have regard to:

- whether a proposal would displace existing C3 residential accommodation;
- whether a site has been identified in the Local Plan housing trajectory and/or Housing and Economic Land Availability Assessment as having capacity for conventional housing; and
- whether a site has an extant planning permission for C3 housing.

Paragraph 17.74 should be deleted in its entirety given that the “suitability for C3 housing” test is demonstrably unsound. Without prejudice to that position and with regard to the first bullet point, we are of the view that it can be appropriate for existing C3 residential accommodation to be displaced for example if it is demonstrated that it is of poor quality and does not meet relevant modern standards, in favour of higher quality and more efficient development. Shared-living can provide for an attractive residential alternative for those looking for high quality accommodation with managed and organised communal spaces in a building which is purpose designed and managed to create the sense of community the residents are looking for. Approximately 21% of Private Rental Homes fail basic decent homes standards (with many being classed as hazardous (English Housing Survey 2021). The problems associated with this type of housing have also been highlighted by the COVID19 pandemic which illustrated those living in shared rental housing have on average just 10 square meters of private space to live and work from (LSE 2020).



The last two criteria of this policy test should be omitted from the Local Plan on the basis that this does not promote sustainable mixed communities. It is therefore not sound as it conflicts with the objectives of the NPPF. This policy does not also take into consideration market / commercial factors when bringing forward development sites, where an extant (i.e not completed) consent may be found to not be viable, or it may preclude a higher quality scheme coming forward which could provide housing for a larger number of Wandsworth’s residents who presently reside in unsuitable buy to let housing which does not meet their needs. Whether a site is identified in a Council’s HELAA for a specific use or not does not also mean it will ultimately come forward as this use. As previously noted, shared-living can play a valuable role in meeting London’s housing needs based on a 1.8:1 ratio whilst diversifying the housing stock. Part of LBW’s Objectively Assessed Housing Need also comprises single person households. Delivering shared living therefore contributes to meeting it. ONS evidence shows that the number of multi-person households (unrelated adults sharing) is expected to increase significantly in the coming years. The current pipeline of planning permissions for good quality/ suitable homes is insufficient to meet this need.

Part 2 of Policy LP29 is therefore not justified, and it should only be required to demonstrate that it meets an un-met need and is a suitable site for shared living, not that it is better suited over meeting the needs of conventional C3 housing.

Part 3 – overconcentration

Part A (2) of Policy H16 of the London Plan requires housing with shared facilities to “*contribute towards mixed and inclusive neighbourhoods*”, amongst other criteria. This criterion of Draft LP29 is therefore unnecessary as it is already assessed under strategic policy H16 and should be deleted.

Notwithstanding, the policy as currently drafted does not explicitly set out what constitutes “*overconcentration*” within the defined “*neighbourhood level of 800m radius from the site*” and is consequently ambiguous and unjustified. It is also unclear how the 800m radius has been arrived at and whether it is based on any evidence. We consider that it would be more effective to assess shared-living developments on a case-by-case basis, having regard to the local need, location of the site and local circumstances, including demographics make-up, in line with Part A (2) of London Plan Policy H16.

This suggested approach was recently found sound by the Planning Inspectorate for Lambeth Local Plan, where the previous requirement for no more than two shared living uses within a 500m radius was considered unjustified and subsequently deleted from the plan to give the policy more flexibility. Paragraph 119 of the Inspector’s Report Dated 22 July 2021 concluded that “*The effect of the [above proposed] changes is to move the policy away from a geographic base to a set of criteria which provide more flexibility*”.



The recent appeal decision for De Paul House in Tower Hamlets (Appeal Ref: APP/E5900/W/20/3250665) also required the Planning Inspectorate to grapple with assessing whether the shared-living development would result in overconcentration. The Inspector concluded that the presence of two shared living schemes of 109 units and 139 units within a 3-minute walk would not result in an overconcentration, when considering the nature of the immediate area, in this case with a high predominance of residential accommodation along with some public buildings.

Wandsworth Planning Officers have also considered in their assessment for Application 2021/4285 at Access Self Storage, York Road for 193 shared-living rooms does not constitute “over-concentration” with it being located directly adjacent to the consented 239 shared-living units (ref. 2020/4513) currently under construction on the opposite side of the road to the application site at nos. 41-47 Chatfield Road.

In the recent GLA Stage I Response for Planning Application 2021/4936, the GLA were of the view that the shared-living development “*would complement the range of new build developments being delivered in this area and the surrounding housing stock*” when considering the types of development within the site’s immediate vicinity, in support of this.

We therefore consider that the requirement to assess shared-living development on a case-by-case basis in line with London Plan Policy H16 is more appropriate and justified.

Paragraph 17.42 outlines that Wandsworth will consider large scale shared living accommodation as developments comprising 30 units or more, conflicting with the London Plan definition of 50 units or more. Wandsworth justify this approach on the basis that “*This is owing to the significant variances in the character, urban structure and mix of uses across the borough, and the need to ensure development of this scale is appropriate to its location*”. However, the London Plan should take precedent.

Paragraph 17.43 references that shared living does not meet the needs of lower quartile incomes and is more expensive than affordable rented accommodation. While shared living meets the needs of intermediate households on median wages who can’t afford to buy - it is not ‘affordable housing’ and should not be required to meet affordability tests as per private sale housing. These schemes provide off-site affordable via a commuted sum. Off-site affordable can deliver more affordable housing (improved value for money) which is better suited to the needs (single storey family homes) it seeks to meet and can be delivered faster (funding schemes ready to start construction).

Paragraph 17.43 also references that the private space consists solely of bedrooms and therefore does not cater for the needs of residents who wish to continue to live within the borough, but rather for a more ‘transient’ occupier. We understand this has been informed by the December 2020 Housing Needs Assessment by GL Hearn. It should be clarified that the private space of shared-living developments such as Greystar’s is larger than a typical HMO or informal shared dwelling for single person households, in addition to a generous amount of high quality shared communal internal and external amenity space. These units are more akin to C3 studios in layout as opposed to bedrooms, including kitchenettes and living space.

It is also considered that Paragraph 17.43 applies a negative connotation to transient occupiers and does not reflect the fact that they support the delivery of core services and economic growth in the Borough. It is considered that shared-living products also caters the needs of residents who wish to continue to live in Wandsworth by providing a route to save for ownership. We note that this is not a policy requirement for Build to Rent schemes (Policy LP30) and question whether there is any evidence to suggest that shared-living is any more ‘transient’ than this product or private buy to let housing?

Lastly, Paragraph 17.43 references that shared living is not considered as a likely sustainable model of development if demand for such accommodation was to reduce in the long term. This conflicts with the findings of the Housing Needs Assessment December 2020 which forecasts a “*substantial uplift*” in couples without children aged under 65 by 35.9%, and those with just one child, by 33.7%, concluding there is a need for smaller dwellings at Table 29 ‘Demographic Projections’.

Paragraph 17.45 requires proposals to demonstrate that shared-living units would be more affordable for people on lower quartile and median incomes than conventional units, including room only options. While shared living meets the needs of intermediate households on median wages who can’t afford to buy – it is not ‘affordable housing’ and should not be required to meet affordability tests (as per private sale housing). Room only options in conventional housing are not of comparative quality (need expands to suitability not just affordability) and also reduce the availability of family housing.

Paragraph 17.46 references that shared-living can have a negative impact on community interaction (“*residential enclaves shut off from the community at large*”). It is unclear what evidence base supports this view and we request that this is clarified. While most developments include spaces available for the local community to use i.e commercial or community floorspace, the potential loss of young people of working age from the borough due to an unmet need of good quality housing options is considered to have a much greater negative impact upon the community.



Paragraph 17.47 relates to the management of shared-living developments. This should be updated to reflect the London Plan. Notably the minimum requirement for tenancies of no less than 3 months in line with Policy H16 of the London Plan, as opposed to 6 months.

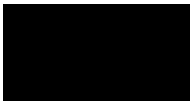
Paragraph 17.48 is no longer required as London Plan guidance will set out clear and detailed guidance as to what the required shared-living management plans will need to cover.

Summary

We believe that the draft Local Plan policy relating to shared living (LP29) does not accord with the NPPF and would be found unsound during Examination in Public for the reasons outlined above and strongly suggest that the current wording is amended to bring it into line with London Plan H16

We trust our comments will be taken on board in progressing the draft Local Plan 2030 and we look forward to engaging further with you in the future.

Yours faithfully,



DP9 Ltd

