

MALP TECHNICAL SEMINAR

Housing Standards

MAYOR OF LONDON

TECHNICAL SEMINAR PURPOSE

This seminar does not cover all the MALP evidence - this information has been published on our website and will be debated as part of the EIP.

The aim of this seminar is to provide clarification of evidence and approach on specific issues raised by a number of consultation responses.

The three key areas covered are;

- **Background**
- **Evidence of need for access standards**
- **Viability evidence (across the standards) and affordability.**

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LONDON PLAN STANDARDS

London Plan already includes standards/policies on:

- **Access**
- **Water**
- **Space**
- **Security**
- **Energy**

- **With more detail provided in the Housing Supplementary Planning guidance.**
- **Existing background evidence**

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OVERVIEW AND BACKGROUND

The 2015 London Plan already has standards in place. However, to ensure consistency with the Government's standards the 2015 London Plan states in para 0.16F

“as a result of changes proposed in the Government's Housing Standards Review, the Mayor will bring forward additional alterations to the London Plan in early 2015 to reflect Government housing standards”

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HOUSING STANDARDS REVIEW BACKGROUND

The housing standards review was launched in October 2012.

The rationale behind the standards review:

- Reduce the burden on new housing developments by simplifying and rationalising the large number of standards that local authorities apply to new homes; and**



Ensure that new homes are of high quality, accessible and sustainable.



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BACKGROUND CONT.

- Following consultation on the technical standards on 25th March 2015 Government issued:
- a Written Ministerial Statement (WMS) - new national approach to the setting of standards,
- associated Approved Documents (water and access), and
- Nationally Described Space Standards.

Together these are known as the **new national technical standards**.

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TRANSITION

The new building regulations come into force from October 2015.

From October 2015 existing standards relating to access, space and water should be interpreted by reference to the nearest equivalent national standards.

This approach is set out in the March WMS. To aid implementation the Mayor published a transition statement in May to show what standards would be applied in London from October 2015.

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POLICY 5.2- UPDATE

Fixing the Foundations White Paper (July 2015):

- **Government does not intend to proceed with the zero carbon Allowable Solutions Carbon Offsetting scheme or the proposed 2016 increase in on-site energy efficiency standards**
- **In light of this and March WMS, suggested changes have been submitted to the inspector – includes removing the proposed changes to this policy and reverting back to the existing 2015 London Plan policy.**
- **Guidance to be provided in Housing SPG**
- **Fully considered in the full review**

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EVIDENCE OF NEED FOR ACCESS STANDARDS

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LONDON PLAN

The London Plan has included accessibility requirements since 2004.

Policy 3A.4 housing choice 2004 London Plan

“UDP policies should ensure that:...

- all new housing is built to ‘lifetime homes’ standards*
- ten percent of new housing is designed to be wheelchair accessible, or easily adaptable to residents who are wheelchair users.*

Space standards were introduced in the 2011 Plan.



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ACCESS

Introduction of ‘optional’ standards.

- **Development plan set out which standards should be applied.**

M4 (1) – Category 1: visitable dwellings.

Mandatory for all new dwellings unless one of the optional requirements M4(2) or M4(3) applies.

M4(2) – Category 2: Accessible and adaptable dwellings.

M4(3)- Category 3: Wheelchair user dwellings.

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BUILDING REGULATIONS

- “Compliance should be assessed against only one of the requirements M4(1), M4(2) or M4(3) for any given dwelling” *Part M approved document para 0.3.*

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MALP APPROACH

Current London Plan: 100% lifetime homes and 10% wheelchair accessible, or easily adaptable for residents who are wheelchair users.

MALP: 90% 'Category 2'—similar to lifetime homes (and in some respects less onerous, apart from requirement for step free access for all dwellings).

10% 'Category 3' wheelchair user dwellings – very similar to current LP wheelchair requirements.

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WHEELCHAIR USER DWELLINGS

M4 (3) – ‘Category 3’
Wheelchair user dwellings

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graph TD; A["M4 (3) – 'Category 3' Wheelchair user dwellings"] --> B["Wheelchair adaptable – constructed with the potential to be adapted for a wheelchair user"]; A --> C["Wheelchair accessible – constructed to be suitable for immediate occupation by a wheelchair user"];
```

Wheelchair adaptable –
constructed with the
potential to be adapted for
a wheelchair user

Wheelchair accessible –
constructed to be suitable for
immediate occupation by a
wheelchair user

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CATEGORY 3

M4(3) can be applied to all tenures.

However- wheelchair accessible dwellings can only be required where the local authority is responsible for allocating or nominating a person to live in that dwelling.

In practice this will generally mean only affordable dwellings can be required to be wheelchair accessible

Private dwellings = wheelchair adaptable

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NEED CATEGORY 2

Homes should meet the needs of a diverse range of households.

- 52% of all households in London include a disabled household member, a child under 5 or someone aged over 65 (2013/14 family resource survey).
- London's older population is increasing
- Much of London's housing stock has limited accessibility because of its age.
 - For example 22% of the stock is pre 1900.
 - 85% of London's stock was built before 1992

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NEED CATEGORY 3

- There are approx 50,918 households in need of a home suitable for a wheelchair user (English Housing Survey data applied to GLA household projections for 2015).
- Since the introduction of WCH requirements in the London Plan 7,382 homes have been built.
- This means there are still 43,536 households in need of WCH

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DELIVERY AND CHOICE

Current London Plan policy applies to all new homes.

- **However, Part M of the building regulations effectively only applies to new build homes. Therefore, even though the LP is retaining the 10% the numbers of homes this applies to has been reduced. Making retention of the 10% all the more important.**
- **Same for cat 2**
- **Private housing markets need a level of vacancy to operate effectively.**
- **London Plan Policy 3.8A states that Londoners should have a genuine choice of homes.**
- **Equality Act 2010**

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VIABILITY EVIDENCE

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VIABILITY

Followed methodology used for the 2015 London Plan viability assessment.

- 1 hectare (ha) tiles for each borough**
- Focussed studies in 8 boroughs using 5/6 scheme types for each (43 sites in total).**
- 8 boroughs chosen - those with potential viability issues and significant housing capacity.**

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VIABILITY

**Full details on costs and values in the report –
key points to highlight**

- **CIL –based on local charging schedules**
- **Affordable housing – local plan policy
compliant with no grant**
- **60/40 split (Affordable Rent/Shared ownership)**
- **Payment for affordable housing based on;**
 - **capitalised net rental income (SR and AR)**
 - **40% share purchased by buyer plus capitalised
rent on the un-owned share.**
- **Includes a cost for other section 106s**

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VIABILITY - ASSUMPTIONS

No change (thus already reflected in build costs);

- Space – Nationally described space standards. Very similar to current LP space standards.**
- M4(2) ‘Category two’ – similar to lifetime homes overall (except requirement for step free access to all floor – extra costs modelled)**
- Security – building regs, but similar to current London Plan policy.**
- London Plan Carbon reduction requirements – equivalent of 40% improvement on 2010 Building Regulations.**
- Wheelchair homes - extra cost due to extra space required included but no extra value assumed.**

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BENCHMARK LAND VALUE

- **Residual land values were assessed against the benchmark land values set out in the relevant Community Infrastructure Levy studies.**
- **Provides an understanding of how viability differs depending on the benchmark land value – different benchmark land values reflect differing circumstances in which sites are brought forward.**

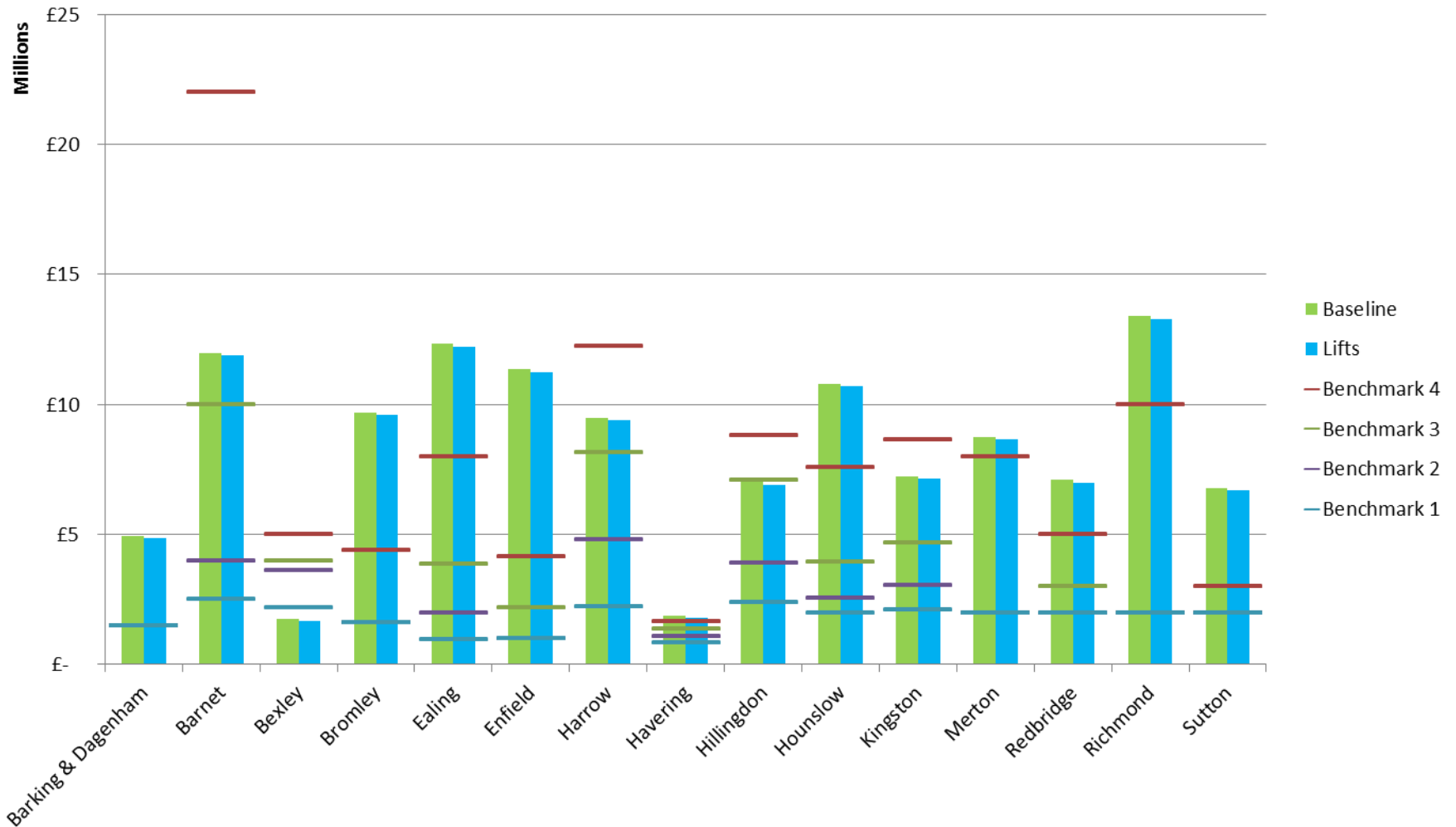
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VIABILITY SCENARIOS

- **80 dwelling per hectare (ha) - modelled the extra costs of providing a lift. The cost of a lift for all other sized sites is already factored into the build costs.**
- **Extra scenarios were run for schemes on the margins of viability;**
 - **Average affordable housing delivered**
 - **Grant availability - £3000 per affordable unit.**
- **Scenarios were also run looking at the impact of a change in house prices and costs.**
- **All details are available in the viability report and appendices.**

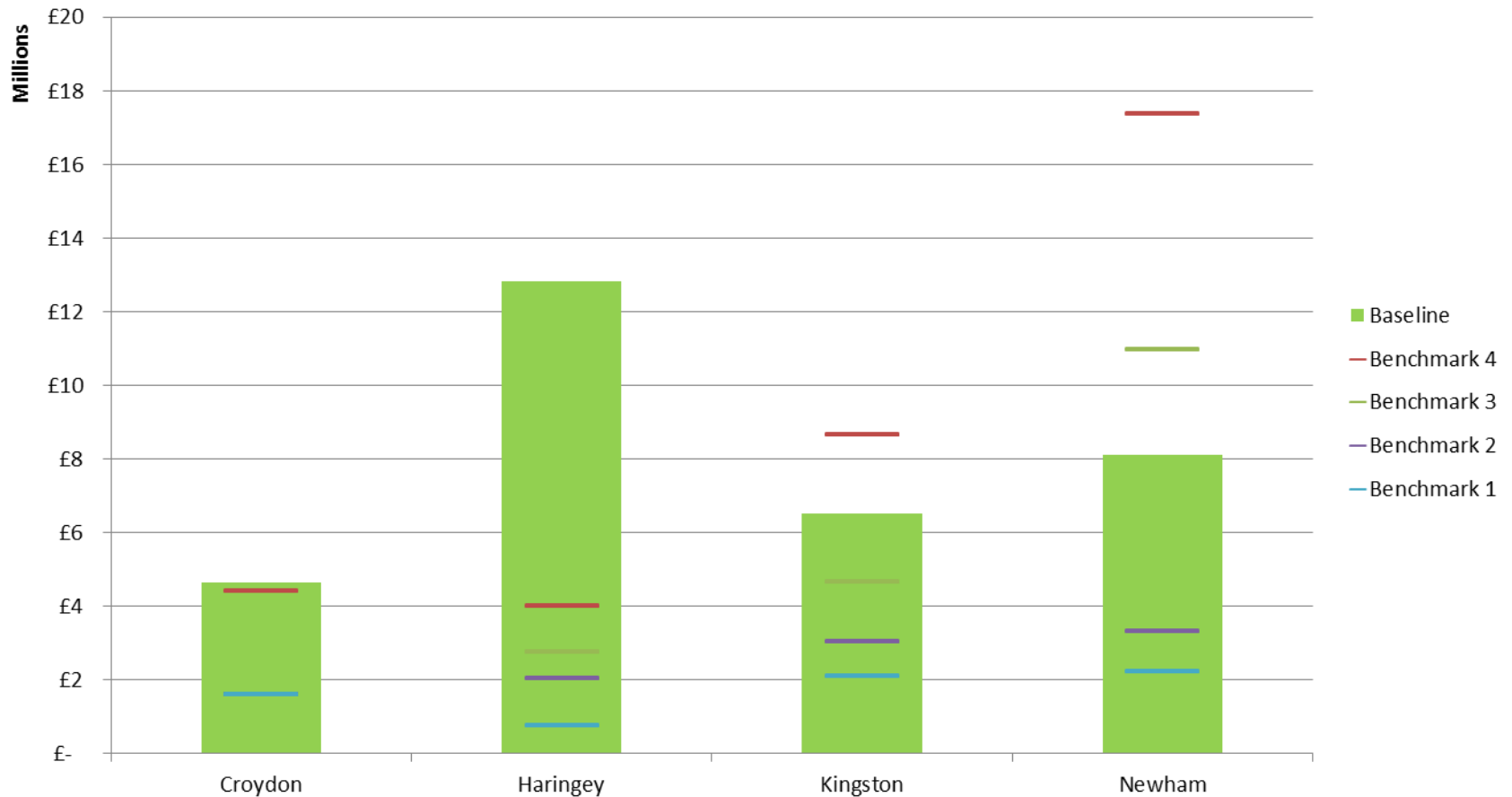
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80 DWELLINGS PER HECTARE



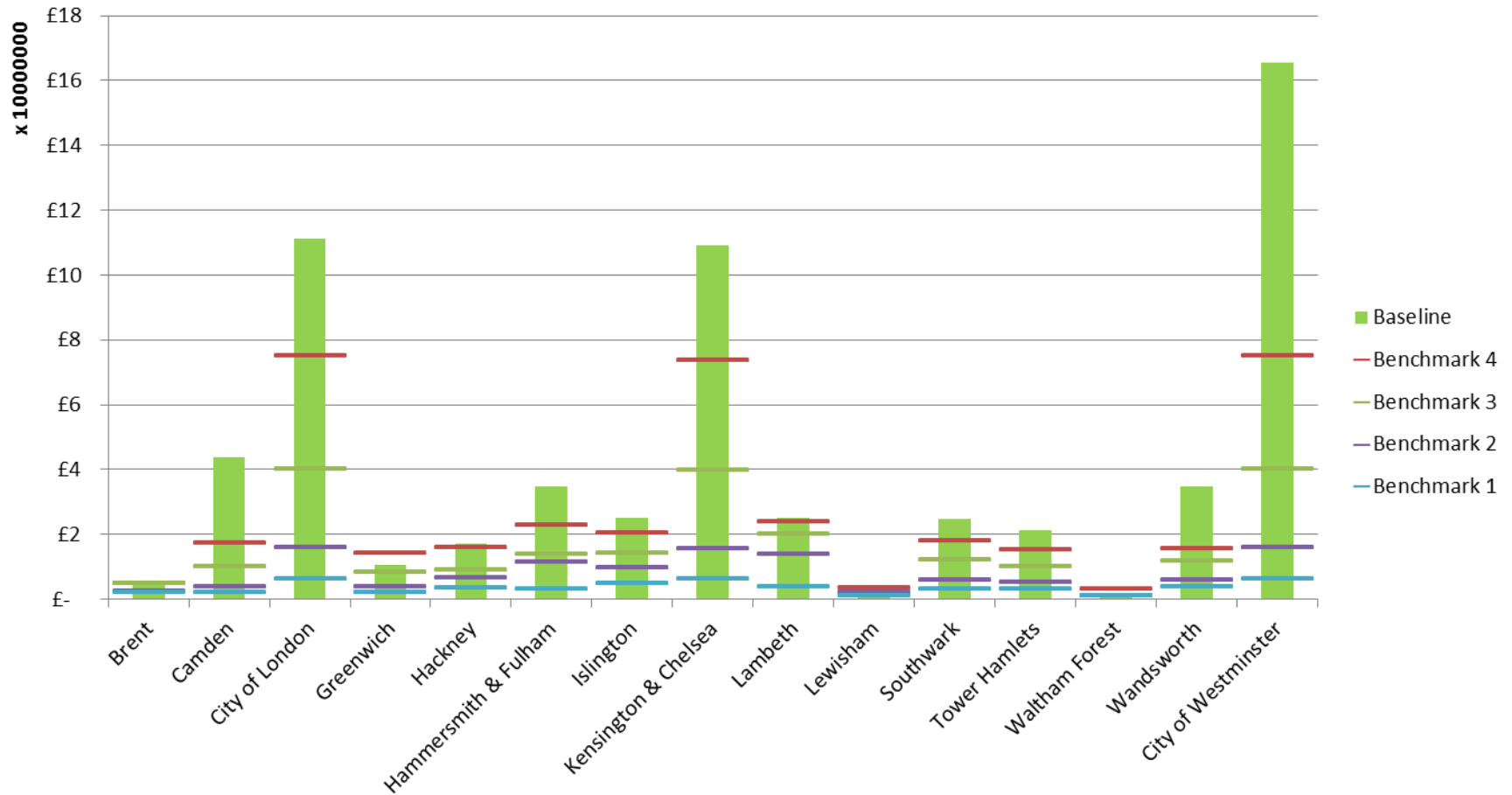
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160 DWELLINGS PER HECTARE



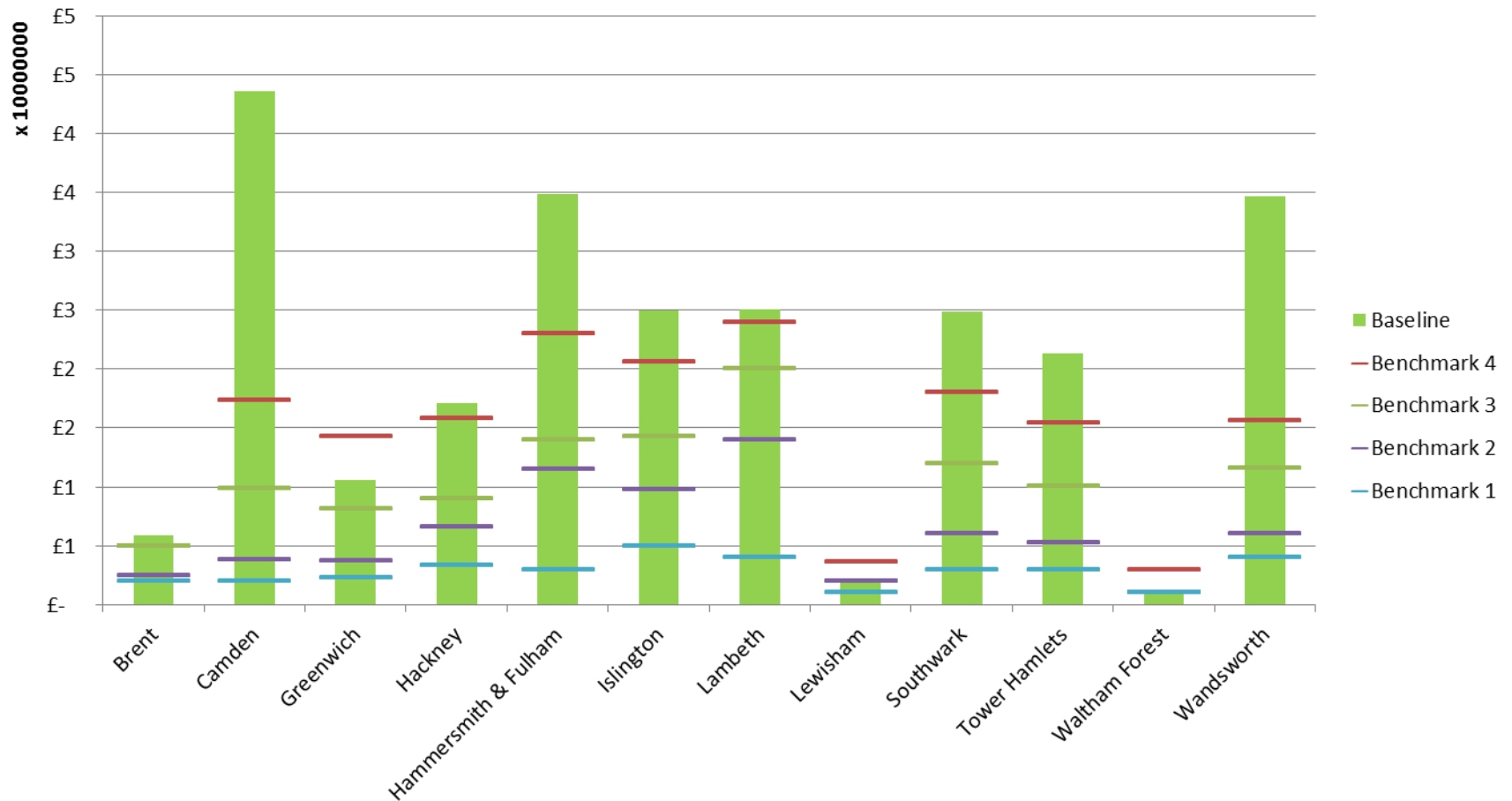
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320 DWELLINGS PER HECTARE



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320 DWELLING PER HECTARE



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1 HECTARE CONCLUSIONS

The Nationally Described Space Standards do not represent a threat to the viability of housing delivery across London.

The impact of the step free access requirement is minimal .

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CASE STUDIES

- **Allowed more detailed site specific modelling of schemes**
 - **Height of building**
 - **Mix of dwelling types (reflecting site characteristics, density of development and comparison with known dwelling mixes for recent planning permissions)**
 - **Sales and costs per sqm assessed for each location and building type**
 - **Other assumptions the same as 1ha tiles (policy compliant affordable housing etc)**

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CASE STUDIES

Case studies for viability testing											
Case study summaries											
Sub 1 ha sites			1-2 ha sites			2-4 ha sites			4-10 ha		High Rise
Scheme Type 1		Scheme Type 2		Scheme Type 3		Scheme Type 4		Scheme Type 5		Scheme Type 6	
area ha	0.49	area ha	0.51	area ha	1.59	area ha	2	area ha	5.28	area ha	1.33
Units	53	Units	362	Units	643	Units	182	Units	400	Units	920
Density	108.2	Density	709.8	Density	404.4	Density	91.0	Density	75.8	Density	691.7
1 bed f	25%	1 bed f	45%	1 bed f	45%	1 bed f	25%	1 bed f	25%	1 bed f	45%
2 bed f	25%	2 bed f	40%	2 bed f	40%	2 bed f	25%	2 bed f	30%	2 bed f	40%
3 bed f		3 bed f	15%	3 bed f	15%	3 bed f		3 bed f	20%	3 bed f	15%
4 bed f		4 bed f		4 bed f		4 bed f		4 bed f	5%	4 bed f	
2 bed h		2 bed h		2 bed h		2 bed h		2 bed h	10%	2 bed h	
3 bed h	25%	3 bed h		3 bed h		3 bed h	25%	3 bed h	10%	3 bed h	
4 bed h	25%	4 bed h		4 bed h		4 bed h	25%	4 bed h		4 bed h	
floors	3	floors	12	floors	11	floors	5	floors	5	floors	45
Vacant		Warehousing		Industrial/ part vacant		Commercial/ industrial		Commercial		Mixed	
Test Locations Scheme Type 1		Test Locations Scheme Type 2		Test Locations Scheme Type 3		Test Locations Scheme Type 4		Test Locations Scheme Type 5		Test Locations Scheme Type 6	
Barking & Dagenham Brent		Barking & Dagenham Brent		Barking & Dagenham Brent		Barking & Dagenham Brent		Barking & Dagenham Brent		Greenwich Southwark Tower Hamlets	
Croydon		Croydon		Croydon		Croydon		Croydon			
Greenwich		Greenwich		Greenwich		Greenwich		Greenwich			
Hounslow		Hounslow		Hounslow		Hounslow		Hounslow			
Newham		Newham		Newham		Newham		Newham			
Southwark		Southwark		Southwark		Southwark		Southwark			
Tower Hamlets		Tower Hamlets		Tower Hamlets		Tower Hamlets		Tower Hamlets			

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CASE STUDIES

- **5 scheme types tested on sites in 8 boroughs and a further high rise scheme type applied to three boroughs.**
- **Provides more detailed understanding of scheme viability.**
- **Particularly shows how some types of development are currently unviable in some boroughs.**
- **Demonstrates that the new housing standards will have limited impact on viability.**

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IMPACT ON AFFORDABILITY

- **MALP proposed standards only reflect minor changes to the current London Plan standards - limited impact on affordability.**
- **Government published a national cost impact report in September 2014 on the proposed standards.**
- **While the report looks at the cost of introducing the standards where they do not already exist, it is still useful in understanding how the standards may be impacting affordability.**

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SPACE IMPACT ON AFFORDABILITY

Government cost impact report (EC Harris 2014) estimates in the cost of additional space:

Table 37 – Additional space costs summary

	1B Apartment	2B Apartment	2B Terrace	3B Semi- detached	4B Detached
Total Cost increase per m2					
+ 1 sq.m	+ £722	+ £722	+ £632	+ £632	+ £540
+ 2 sq.m	+ £1,444	+ £1,444	+ £1,264	+ £1,264	+ £1,080
+ 3 sq.m	+ £2,166	+ £2,166	+ £1,896	+ £1,896	+ £1,620
+ 5 sq.m	+ £3,610	+ £3,610	+ £3,175	+ £3,175	+ £2,700
+ 10 sq.m	+ £7,220	+ £7,220	+ £6,320	+ £6,320	+ £5,400

Assumes 80% of cost will be met by the buyer.

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IMPACT ON AFFORDABILITY

The 'increase' in cost does not have a significant impact on affordability.

Example;

Average new build 1 bed 2 person flat = £350,000

Increasing from 46sqm to 50sqm = £2,900 build cost increase

Assuming 80% of that is passed on to the buyer = 0.7% increase in cost for the buyer.

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STEP FREE ACCESS: FOUR STORIES AND BELOW

- Limited impact on viability (and is only a 'new' requirement for dwellings of 4 stories or less).
- Impact on affordability affected by typology – could be kept to a minimum.
- Where it is demonstrated that installing a lift is not viable or would lead to significantly higher service charges, then the base Building Regulation M4(1) could be applied, but schemes could still be encouraged to comply with the other requirements of M4(2).

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IMPACT OF REMOVING STANDARDS?

Standards which are the same or very similar to the MALP already exist in London.

While the Government's costs impact shows that introducing the standards could have an impact on affordability (albeit a limited one for the mainstreamed standards), it cannot be assumed that removing them would result in increased affordability.

The Plan explicitly provides flexibility for developments of four stories or less if the provision of a lift significantly impacts affordability.

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