



<b>ORGANISATION</b>	<b>LONDON FIRST</b>
<b>ID</b>	<b>1588</b>
<b>MATTER</b>	<b>M19 HOUSING SUPPLY AND TARGETS</b>

**M19. Are the overall 10 year housing target for London and the target for the individual Borough and Corporations set out in Policy H1 A and in Table 4.1 justified and deliverable? In particular:**

**a) Are the assumptions and analysis regarding site suitability, availability and achievability and development capacity in the Strategic Housing and Employment Land Availability Assessment reasonable and realistic?**

1. The 2017 Strategic Housing Land Availability Assessment (SHLAA) is based on the assumption that London will deliver its increased housing target on brownfield land within its existing boundary. The draft Plan is right to prioritise brownfield land and the SHLAA attempts to identify three sources of brownfield land that together could have the capacity to meet the new housing target. However, it is significant to note that, since London's population began growing again in the 1990s, it has consistently proved impossible to meet the needs of that growth on brownfield land alone.
2. London First is concerned that the SHLAA is overly reliant on small sites to achieve the Plan's housing target (38% of net housing completions to be provided on small sites). It assumes a rate of delivery and level of density can be achieved on small sites which far exceeds past performance. The small sites strategy is also dependent upon the boroughs undertaking extensive work, and there will inevitably be a time lag for this to be carried out after the Plan is adopted in 2019.
3. The SHLAA assumes the rate of delivery on small sites will, in fact, double by including a small sites windfall figure as a component of future supply as well as a small sites modelled figure (ref: Table 9.1 of the SHLAA), despite the fact that they are essentially the same thing because small sites are not identified/allocated.
4. In addition, the SHLAA does not provide any detailed information on the extent of supply expected to be released from industrial land, but one has to assume

that it is envisaged as a meaningful contribution towards the 55% increase in housing targets (65,000 dpa compared to 42,000 dpa in the current Plan). London First supports the intensification of industrial activities to release land for housing, but multi-layering and co-location are new concepts relatively untested in the UK and they carry significant developer risk. Industrial sites also require extensive, costly remediation and often complex land assembly; this introduces further uncertainty.

5. Finally, while it is right that strong protection of the Green Belt remains, the SHLAA fails to acknowledge that accessible brownfield sites and land that is of no environmental or civic value exist in the Green Belt, and that some of these sites could be brought forward in a sustainable manner for development that would result in a better overall spatial strategy for London.

**b) Have the environmental and social implications of the proposed increase in housing targets been fully and properly assessed?**

1. No comment

**c) Policy H1 B 2) a)-f) identifies various sources of capacity. Will these be sufficient to meet the ten year targets and what proportion of housing is expected to be delivered by means of the different types? How much is expected to be delivered on existing industrial land in the context of Policies E4-E7?**

1. As set out in response to (a) above, London First is concerned that there are some significant risks associated with the sources of capacity set out in Policy H1B (2) of the draft Plan, in particular:
  - (i) the reliance on small sites to achieve 38% of the Plan's ambitious housing target and the assumption that the rate of delivery will double compared to existing; and
  - (ii) the expectation that intensification of industrial uses through multi-layering and co-location will release land for housing despite this being a relatively untested concept in the UK that carries significant developer risk.
2. These risks undermine the draft Plan's ability to deliver its ten-year housing targets. In this context, it is important to note the letter dated 27 July 2018 from the Secretary of State for Housing, Communities and Local Government, the Rt Hon James Brokenshire MP, to the Mayor of London, which set out an expectation for the new Plan to be immediately reviewed following its publication to reflect the revised National Planning Policy Framework (please

refer to our statement for M18: Housing strategy – page 1, paragraph 5 – for the full extract).

3. In response to this letter, Policy H1 of the draft Plan should make a commitment to undertake an immediate review of housing need once the Plan has been published.
4. The Green Belt is conspicuous by its absence from Policy H1 and reference should be included. The Mayor should leave boroughs to review their Green Belt boundary if necessary, through their local plan process and in accordance with NPPF guidance, to ensure land-use distribution is optimised in the most sustainable way.
5. The following insertion should be made to Policy H1:

*B 2) boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, especially the following sources of capacity:*

*[a.....f]*

*g) within the Green Belt and Metropolitan Open Land, sites close to existing or future transport nodes that are of poor environmental or civic value but that could support sustainable, high-quality, well-designed residential development that incorporates accessible green space.*

6. The policy should also explicitly refer to air or roof space development as another source of capacity as encouraged by NPPF2 paragraph 118c. Maximising London's roof space could, according to one study by HTA Design LLP for Apex Airspace Development (2016), release a minimum of 3,600 acres of land for new homes. Furthermore, the Government is currently consulting on a package of planning and other reforms to support the high street and increase delivery of new homes. This includes a proposal to extend permitted development rights to extend buildings upwards to create additional new homes. We therefore recommend the following insertion to H1 below existing points (a) to (f) and new insertion (g) above:

*h) airspace development above existing residential dwellings and other compatible uses that are appropriate in scale and respect relevant heritage and design considerations.*

7. Finally, question (c) of M19 specifically asks how much capacity is expected to be delivered in the context of Policies E4-E7 of the draft Plan. As stated above in respect of (a), the SHLAA does not provide information on the extent of expected supply. London First considers that industrial land as a source of new capacity carries risk. Multi-layering and co-location are new concepts relatively

untested in the UK and will only be attractive to certain occupiers. Development of these schemes therefore carries significant risk and so there needs to be greater financial incentive, such as a relaxation of affordable housing expectations, for developers to take on such uncertainty.

8. We regard some losses of industrial capacity as inevitable, particularly in Opportunity Areas (OAs), if potential to deliver housing is to be maximised. The policy approach of applying a 50% affordable housing threshold where net loss occurs (as per H6B 3) risks constraining London's growth by jeopardising the delivery of many OAs and not allowing the best strategic outcome for London as a whole.

**d) Will the focus on existing built up areas rather than urban extensions using GB/MOL provide sufficient variety of house types and tenure?**

1. The debate around intensification of existing built-up areas versus urban extensions using GB/MOL is one of land-use supply and optimising the efficient use of land; it is not directly related to the detailed matters of house types and tenure.
2. Notwithstanding the above, if the Plan was to provide greater scope for urban extensions through the selective use of accessible Green Belt or Metropolitan Open Land (as identified in our response to question (a) above), there may be scope to provide a wider variety of housing types and tenures. In particular, urban extensions offer greater opportunity to provide traditional family housing compared to existing built-up areas, where the need to intensify through higher densities leads to typologies of housing, such as the traditional mansion block or tall building.

**e) Is the emphasis on development in outer London consistent with the intention in Policy GG2 that seeks to proactively explore the potential to intensify the use of land on well-connected sites?**

1. Yes, there is consistency between the policies. While PTAL levels are generally higher in central London, all of London is comparatively well connected and connectivity will increase further in outer London with strategic infrastructure investment such as Crossrail 2 and the Bakerloo Line Extension. There is therefore significant scope to intensify development across the capital.
2. Research by London First and Savills (*Redefining Density*, September 2015) previously considered the scope to intensify development in London. Even having discounted green space, the Green Belt and water, there are many parts of London that have good transport links but low housing density. If well-connected areas with a low housing density were to match the density of

similarly connected but higher-density areas, this would – in principle – create approximately 1.4 million new homes across London. Of course, such change would not be practicable for all of these areas, but this figure highlights the extent of opportunity.

**f) Does the Plan adequately consider the cumulative impacts of other policies on the deliverability and viability of housing?**

1. London First has examined the evidence base supporting the draft Plan and has undertaken an alternative viability appraisal. Our evidence shows that the cumulative impact of the draft Plan's policy requirements renders a significant proportion of the development types assessed commercially unviable, demonstrating that not all policy requirements can be satisfied on most schemes.
2. The planning process is inherently one of balancing competing needs and priorities, requiring the decision maker to weigh policy requirement and material considerations against the overall merits of the proposed development. Notwithstanding the conclusions of our viability appraisal, a greater proportion of development would be commercially viable if the draft Plan's policies were more flexible in their wording and could be applied pragmatically. In its current format, the draft Plan will make the planning process in London more complicated, which will cause delays and, in turn, increase costs and undermine delivery.

**g) What is going to bring about the step change in delivery implied in the Plan compared to the current one? What are the tools at the disposal of Boroughs in 1.4.6? Is it realistic to expect this to occur from 2019 or should there be a stepped or transitional arrangement?**

1. No comment.

**h) Should Table 4.1 include targets for different types and tenures of housing?**

1. No. We welcome the high-level policy support for specialist types of housing in the draft Plan such as H13 Build to Rent through to H18 Large-scale purpose-built shared living (notwithstanding various changes we think should be made to them); however, we believe that the boroughs, working in partnership with all types of developers and housing associations, are best placed to devise targets for different types and tenures of housing in their Local Plans, according to local need.

**i) Should the target be for longer than 10 years given that the plan period runs to 2041?**

1. The draft Plan includes a much higher target of 65,000 homes per annum compared to the current Plan and historic rate of delivery. In these circumstances, and given the risks we have identified in the draft Plan in relation to housing land supply, it is questionable whether the 65,000 target will be achieved. The target should be regularly monitored and reviewed, and the Plan should commit to an early review of housing need and supply as required by the Secretary of State in his letter to the Mayor on 27 July 2018 (Refer to (c) above).

**j) How and where is the shortfall between the identified need of 66,000 additional homes a year and the total annualised average target of 64,935 to be made up? Will LPAs outside London in the wider south east be expected to deal with this on an ad hoc basis?**

1. No comment

**k) Does paragraph 4.1.8A adequately explain how Boroughs are to calculate a target beyond 2028/29?**

1. No comment.

**l) What will be the implications for London Boroughs if the Plan targets are adopted which increase the requirement in recent development plans?**

1. No comment.