

London Tenants Federation 2571 – M29 – Build to Rent

Would Policy H13 provide a justified and effective approach to build to rent housing to meet housing need? In particular:

- a) Would the criteria to define build to rent set out in Policy H13B be justified and would they be effective in supporting delivery?*
- b) Would the approach to affordable housing requirement be justified and effective? Would it be effective in meeting local needs? Would the approach to discounted market rent homes be effective? Should the discount level be defined locally to take account of local circumstances?*

We feel this product could be justifiable and effective in meeting need for lower cost private rented housing, if focused entirely on delivering longer-term institutionalised private rented homes delivered without grant funding and in all instances with a requirement to deliver 50% social housing.

As set out in Policy H13, it offers the opportunity to developers to access grant funding to achieve London Living Rent levels.

It is, however, a different kind of product from LLR. It is not a rent to buy product, so seemingly there is no requirement for tenants to have enough disposable cash to put money aside for a deposit to buy a home. It potentially then, has lower overall housing costs.

In reality, where subsidised by the public purse, it is an affordable rent product delivered by the private sector – but potentially (if as with London Living Rent) excluding lower (and below the equivalised median) income level households, who would ordinarily have been able to access discounted affordable rent housing at similar costs (albeit needing to access benefits to support rental costs).

Supporting text of H13 and the Mayor's SPG suggests separate waiting lists and eligibility criteria of intermediate homes might be determined at the local level. Paragraph 4.13.8 refers also to meeting the definition of intermediate housing. Although we assume this to mean with a cap on income levels of up to £60,000, it is unclear whether it is expected that it will also exclude households on housing waiting lists including those claiming housing benefits.

If so, given the extreme need for low cost rented homes in London and the fact that homeless households are routinely being housed in higher cost private rented homes, it seems a particularly unfair and unacceptable use of precious grant funding. It would be more reasonably and justifiable for all grant funding to be used to deliver social rented homes.

There seem to be contradictions between the Mayors SPG on affordable housing and the London Plan text. The SPG says "Build to Rent schemes should be designed to enable affordable units to be retained as affordable units in perpetuity, regardless of whether the full market rent units are sold out of the rental market at any point. In the event that private rent units are sold, sale of the affordable units will only be accepted if it can be fully demonstrated that the units cannot be retained as affordable housing. In such

cases the equivalent level of affordable housing and discount should be provided in the vicinity of the site.”

This is not made clear in H13.

- c) *Are there specific design requirements of this type of housing and would the policy be effective in delivering them?*
- d) *Overall, would it meet the objectives of Policy GG4 to deliver the homes Londoners need?*

No, as set out in response to (b).