

M27 Would Policy H11 provide a justified and effective approach to ensuring the best use of housing stock? In particular:

a) Would this policy deal with a strategic planning matter?

- 27.1 Yes. The 2012 NPPF requires local planning authorities to identify and bring back into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase powers.¹ The Strategic Housing Market Assessment (SHMA) 2017 found that London needs an average of an additional 66,000 homes a year over the Plan period. It is important that the new homes are occupied and meet an identified need (apart from the baseline rate of vacant and second homes assumed in the SHMA), otherwise a greater number than 66,000 homes a year would be needed to meet need. Homes that are left empty or which are used for holiday rentals do not contribute towards meeting London's housing needs.
- 27.2 Boroughs may deploy a range of planning tools, such as those described in paragraph 4.11.1 of the draft Plan, to manage housing stock where there are local issues of homes being left empty or used as holiday rentals. The London Plan provides in principle support to boroughs seeking to effectively manage housing stock where such issues have been identified. Policy H11 does not require boroughs to adopt measures to manage the use of housing stock where these issues have not been locally identified.

b) Would the approach taken to 'buy to leave' and short term holiday accommodation be justified?

Buy to Leave

- 27.3 Over recent years in some parts of London, for example, in the London Borough of Islington, there has been a growing perception that a meaningful proportion of new homes have been purchased by investors who rely solely on capital appreciation for their returns and who do not rent their homes.² New homes purchased for this purpose are sometimes known as 'buy to leave'. Evidence suggests that this practice is not particularly widespread, with approximately one per cent of new homes being left vacant across London.³ However, where it does happen it reduces the amount of new housing stock being occupied to meet London's housing need. Where the practice is widespread in a new building it can also negatively affect the provision of services to tenants.
- 27.4 Policy H11 provides in principle support to planning authorities that are seeking to manage 'buy to leave' where local issues have been identified.

¹ NLP/GD/03: DCLG, National Planning Policy Framework (NPPF) 2012, Chapter 6 Delivering a wide choice of high quality homes

² London Borough of Islington, [Preventing Wasted Housing Supply Supplementary Planning Document](#), July 2015, Paragraph 1.1 & 1.2

³ K Scanlon. et al., LSE, The role of overseas investors in the London new-build residential market Final report for Homes for London, 2017, page 2

Short-term holiday accommodation

- 27.5 The Deregulation Act 2015 provides for the lawful short-term letting of residential houses or flats, subject to two conditions:
- The total number of nights that a property is used for short term letting in a calendar year (1 January to 31 December) must not exceed 90.
 - At least one of the persons providing the accommodation for short term letting is liable to pay Council Tax at the property where the accommodation is provided.
- 27.6 Letting homes as short-term holiday accommodation for more than 90 days per year requires planning permission for a change of use, as it constitutes a loss of conventional Use Class 3 (C3) housing stock. Furthermore, short-term holiday accommodation gives rise to different amenity impacts to conventional C3 housing. For example, short-term holiday accommodation in residential areas can harmfully impact on neighbours' residential amenity and sense of community. Given London's identified housing needs, it is appropriate for boroughs to consider whether it is justified to lose conventional C3 homes to short-stay accommodation.
- 27.7 Boroughs can currently enforce against 'hosts' who breach the law. However, the Mayor is also proactively working with short-term let platforms, such as Airbnb, to encourage providers to prevent 'hosts' letting their properties in a way that would breach the law.
- c) Overall, would Policy H11 be effective in sustaining London's existing housing stock and would it meet the objective of Policy GG4 to deliver the homes Londoners need?**
- 27.8 Yes, it does this by ensuring boroughs make the best use of the existing stock by reducing the number of vacant properties, ensure that where an issue has been identified, that new homes are occupied, take account of the impact of holiday rentals on the available stock and to take account of the role of houses in multiple occupation (HMOs), where they are of a reasonable standard.
- 27.9 The objective of Policy GG4 is to create a housing market that works better for all Londoners. Policy GG4 A aims to ensure that more homes are delivered, and it is important that those homes are correctly used to meet identified need. Policy H11 is consistent with this objective as it provides support for boroughs to address issues of housing mis-use, where this is identified as a local issue.
- 27.10 The objective of Policy GG4 C is to create mixed and inclusive communities, with good-quality homes that meet high standards of design, and which provide for identified needs. Policy H11 seeks to ensure that new homes do meet identified needs. In addition, Policy H11 recognises the important role of HMOs in meeting particular housing needs and contributing towards mixed and inclusive communities. HMOs are an important part of London's housing offer, reducing pressure on other elements of the housing stock. HMOs frequently provide a relatively affordable form of accommodation for households and individuals with limited housing options.