



Document title: Housing Supply Topic Paper Addendum (March 2020)

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# Housing Supply Topic Paper Addendum

## 1. Introduction

- 1.1 This paper sets out the council's approach to housing supply. It replaces Part C of the submitted Housing Topic Paper (document reference EV\_H\_001).

## 2. National Planning Policy Context

- 2.1 The National Planning Policy Framework (NPPF) states at Paragraph 67:

*...planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:*

- a) specific, deliverable sites for years one to five of the plan period; and*
- b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.*

- 2.2 The NPPF defines 'deliverable' and 'developable' sites in its Glossary:

*To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:*

- a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
- b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be*

*considered deliverable where there is clear evidence that housing completions will begin on site within five years.*

*To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged.*

- 2.3 The Planning Practice Guidance (PPG) gives further information on deliverable and developable sites in the context of assessing the development potential of sites or broad locations for development.

*Plan-makers will need to assess the suitability, availability and achievability of sites, including whether the site is economically viable. This will provide information on which a judgement can be made as to whether a site can be considered deliverable within the next five years, or developable over a longer period.<sup>1</sup>*

- 2.4 In order to demonstrate maintenance of a supply of housing, paragraph 73 of the NPPF states that strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period. This should identify a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against the housing requirement set out in adopted strategic policies.

## 2.5 Suitability

- 2.5.1 The PPG states that a site should be considered suitable if it would provide an appropriate location for development when considered against relevant constraints and their potential to be mitigated. Where constraints are identified the assessment will need to consider what action could be taken to overcome them.

- 2.5.2 Constraints should be assessed alongside other relevant information, such as:
- national policy;
  - appropriateness and likely market attractiveness for the type of development involved;
  - contribution to regeneration priority areas;
  - potential impacts including the effect upon landscapes including landscape features, nature and heritage conservation.

- 2.5.3 Furthermore, when using the emerging plan to assess suitability, the PPG states that plan-makers will need to account for potential policy changes or

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<sup>1</sup> PPG Housing and economic land availability assessment: Paragraph: 017 Reference ID: 3-017-20190722

other factors which could impact the suitability of the site, including emerging site allocations.

- 2.5.4 The PPG adds that sites in existing development plans or with planning permission can generally be considered suitable for development although it may be necessary to assess whether circumstances have changed which would alter their suitability. This can be informed by a range of factors including market signals.

## 2.6 Availability

- 2.6.1 The PPG states that a site can be considered available for development, when, on the best information available, there is confidence that there are no legal or ownership impediments to development. Where constraints are identified the assessment will need to consider what action could be taken to overcome them.

- 2.6.2 The PPG adds that the existence of planning permission can be a good indication of the availability of sites. Sites meeting the definition of deliverable should be considered available unless evidence indicates otherwise. Sites without permission can be considered available within the first five years, subject to other considerations. Consideration can also be given to the delivery record of the developers or landowners putting forward sites, and whether the planning background of a site shows a history of unimplemented permissions.

## 2.7 Achievability

- 2.7.1 The PPG states that a site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the developer to complete and let or sell the development over a certain period.

## 2.8 Timescales and rate of development

- 2.8.1 The PPG states that information on suitability, availability and achievability and constraints can be used to assess the timescale within which each site is capable of development. This may include indicative lead-in times and build-out rates for the development of different scales of sites.

# 3 Sources of Supply

- 3.5 In carrying out an assessment of deliverable and developable sites, the council has had regard to the guidance in the NPPF and PPG as outlined above.

- 3.6 Objective 1 of the council's draft City Plan 2019-2040 is to increase the stock of high-quality housing and provide variety in terms of size, type and tenure to meet need and promote mixed and inclusive communities, with a clear focus on affordability and family homes.
- 3.7 Policy 1B of the draft City Plan 2019-2040 sets out that growth will primarily be delivered through:
- intensification of the CAZ, West End and the town centre hierarchy;
  - continued redevelopment of the Opportunity Areas at Paddington, Victoria and Tottenham Court Road;
  - renewal of the Church Street/Edgware Road and Ebury Bridge Estate Housing Renewal Areas;
  - commercial-led regeneration of the North West Economic Development Area.
- 3.8 Although some of these relate to commercial-led growth, this will still result in housing delivery in many cases, as most development in Westminster is mixed-use. Furthermore, draft policy 10 requires commercial development to contribute to affordable housing provision where it meets certain thresholds.
- 3.9 Based on the objectives and spatial strategy of the draft City Plan 2019-2040, the council has set out a trajectory of deliverable and developable sites considering the following spatial distribution:
- Sites in Opportunity Areas;
  - Sites in Housing Renewal Areas;
  - Sites outside Opportunity and Housing Renewal Areas;
  - Windfalls.
- 3.10 The council has considered all available types of sites and relevant sources of data in identifying its housing supply, in accordance with the PPG as outlined above. Sources of supply used by the council include:
- Sites identified through the 2017 London Strategic Housing Land Availability Assessment and associated call for sites;
  - Sites with a live planning permission;
  - Sites with a submitted planning application or in pre-application discussions;
  - Sites identified as part of the council's Housing Investment Strategy and HRA Business Plan;
  - Sites identified in the council's adopted development plan and the Brownfield Land Register;
  - Sites constituting surplus and likely to become surplus public sector land.

## 4 Deliverable Sites

- 4.5 Deliverable sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years.
- 4.6 As set out above, the NPPF defines a deliverable site. All sites that have detailed planning permission or are not major development are considered deliverable unless evidence suggests otherwise. The PPG on housing supply and delivery sets out the additional evidence required to show that other types of site (those with outline planning permission, allocated in a development plan, with permission in principle, or identified on a Brownfield Register) are deliverable. Such evidence may include:
- current planning status – for example, on larger scale sites with outline or hybrid permission how much progress has been made towards approving reserved matters, or whether these link to a planning performance agreement that sets out the timescale for approval of reserved matters applications and discharge of conditions;
  - firm progress being made towards the submission of an application – for example, a written agreement between the local planning authority and the site developer(s) which confirms the developers' delivery intentions and anticipated start and build-out rates;
  - firm progress with site assessment work; or
  - clear relevant information about site viability, ownership constraints or infrastructure provision, such as successful participation in bids for large-scale infrastructure funding or other similar projects.
- 4.7 The council has compiled a list of deliverable sites as set out in the housing trajectory in Section 7 of this paper. Further detail is provided in the accompanying draft 5-year Housing Land Supply Statement.
- 4.8 The council's list of deliverable sites therefore consists of private and council owned sites that are expected to deliver a net growth in residential units in the first five years of the plan period. These sites are:
- Sites with a live planning permission where development has been completed (post April 2019), is under construction or where development is under construction and works are stalled but the council has an indication they will resume within the indicated timeframe;
  - Sites with a live planning permission that has not yet been implemented but the council has no indication that the development will not be completed within the indicated timeframe;
  - Sites with a planning application that is pending decision where it has been granted subject to legal agreement and final approval;

- Sites with no planning status where the council is the landowner and detailed site assessment work is taking place with a view to submitting a planning application in the near future and commencing works on site within the first five years of the plan period (this includes sites in the council's Housing Renewal Areas).

## 5 Developable Sites

- 5.5 Developable sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged.
- 5.6 The NPPF defines what constitutes a developable site, namely that it is in a suitable location with a reasonable prospect that it will be available and could be viably developed at the point envisaged. The PPG on housing supply and delivery sets out the additional evidence required to demonstrate developability. In demonstrating that there is a 'reasonable prospect' plan-makers can use evidence such as (but not exclusively):
- written commitment or agreement that relevant funding is likely to come forward within the timescale indicated, such as an award of grant funding;
  - written evidence of agreement between the local planning authority and the site developer(s) which confirms the developers' delivery intentions and anticipated start and build-out rates;
  - likely buildout rates based on sites with similar characteristics; and
  - current planning status - for example, a larger scale site with only outline permission where there is supporting evidence that the site is suitable and available, may indicate development could be completed within the next 6-10 years.
- 5.7 Furthermore, the PPG states that a pragmatic approach is appropriate when demonstrating the intended phasing of sites. For example, for sites which are considered developable within 6-10 years, the authority may need to provide a greater degree of certainty than those in years 11-15 or beyond.
- 5.8 The council has compiled a list of developable sites for years 6-10 and 11-15 of the plan period. These sites are set out in the housing trajectory in Section 7 of this paper.
- 5.9 The council's list of developable sites therefore consists of private and council owned sites that are expected to deliver a net growth in residential units from year 6 of the plan period. These sites are:

- Sites with a live planning permission that has not yet been implemented, or where construction works have stalled, and no confirmation has been provided by the landowner that they will resume in the near future;
  - Sites with a planning application that is pending decision (this mainly includes council own sites or sites with revised schemes);
  - Sites not owned by the council that have been subject to pre-application discussions;
  - Sites owned by the council that have been subject to pre-application discussions, detailed site assessment work and/or are identified as suitable for housing development in the council's Housing Investment Strategy and HRA Business Plan;
  - Sites with no planning status that have been identified by the council (in collaboration with landowners) as suitable for housing development following a site selection and capacity modelling assessment.
- 5.10 Site selection and capacity assessment methodology for sites with no planning status
- 5.10.1 As explained in Section 3, the council has considered a wide range of sources of housing supply including undeveloped sites in the adopted development plan, the brownfield land register and sites constituting surplus and likely to become surplus public sector land. This includes sites that are not in council ownership and that have no active planning status. All sites falling within this category have been subject to an assessment of site suitability and indicative capacity.
- 5.10.2 The assessment has been informed by the guidance in the National Planning Policy Framework (NPPF), Planning Practice Guidance (PPG), adopted London Plan density matrix and guidance in the draft New London Plan on optimising densities.
- 5.10.3 Each site that has been included in the trajectory has met the suitability, availability and achievability tests set out in the PPG:
- The suitability assessment has had regard to the site's policy designations, accessibility, local constraints and environmental, townscape and heritage sensitivities.
  - The availability assessment has had regard to the site's existing uses, potential safeguarded uses and its ownership. The council has also considered its planning history and the landowner's development interest.
  - In relation to the achievability assessment, the council appointed BNP Paribas Real Estate to prepare a viability assessment that was published alongside the draft City Plan at Regulation 19 stage. As per the provisions of the PPG set out above, a number and range of



development schemes that are considered similar to those expected to come forward in the identified sites were also tested as part of the assessment. The council has also contacted landowners to find out about their intentions and determine if a specific site was likely to come forward for development.

- 5.10.4 In terms of calculating indicative site capacity, as a starting point a site net developable area was identified, taking account of constraints such as highway land. The density matrix from the adopted London Plan<sup>2</sup> was then applied to give an indicative number of housing units. Densities were then adjusted to take account of those achieved on recent permissions in the locality, before some basic block modelling to ensure outputs could in principle respect site context in terms of building heights. Finally, if a mixed-use scheme was considered desirable based on the site's context or it was judged necessary to re-provide some existing uses, discounts were made to re-assign a suitable amount of floorspace to commercial or other uses.

## 6 Windfalls

### 6.5 Policy Context

- 6.5.1 The NPPF defines windfalls as “sites not specifically identified in the development plan”. Historically, Westminster has relied heavily on windfall development as the council has not formally allocated development sites, although it did identify some sites of strategic importance in its Core Strategy (2011) and previous City Plans (2013 and 2016).

- 6.5.2 NPPF Paragraph 70 states:

*Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends.*

- 6.5.3 The council has considered windfalls on the basis of both large and small sites. Policy H2 of the London Plan ('intend to publish' version) defines a small site as below 0.25ha in size. Paragraph 4.1.8 of the London Plan refers to the modelled approach to small sites taken in the London Strategic Housing Land Availability Assessment (SHLAA). This approach looks to take into account the anticipated uplift to current trends resulting from a step change in housing delivery on small sites in the London Plan. The modelling assumes that 1% of the existing stock of homes will increase in density in areas which benefit from

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<sup>2</sup> Table 3.2 of the adopted London Plan



Public Transport Accessibility Levels (PTAL) 3 to 6 or are within 800m of a tube station, rail station or town centre boundary.

- 6.5.4 The SHLAA estimated an additional 50 net new homes per year in Westminster beyond historical trends as a result of the policy changes. This was combined with the annual trends in net housing completions between 2008/9 and 2015/16 with some development types removed to avoid double counting.
- 6.5.5 Following the London Plan examination hearings, the small sites target for Westminster has been revised to a 10-year target of 5,040 homes, as set out in Table 4.2 of the London Plan ('intend to publish' version). Paragraph 4.1.8 states that a windfall allowance:

*...is considered appropriate given the policy framework set out in the London Plan; the capital's reliance on recycled brownfield sites in other active land uses; and the number of additional homes expected to be provided via incremental intensification of existing residential areas.*

- 6.5.6 In analysing windfalls, the council has considered a range of sites based on the number of units delivered. These have been split into small sites of fewer than 10 net dwellings; sites delivering 10-49 net dwellings and sites delivering 50 or more net dwellings. This is because in Westminster site size as measured in hectares is not always a helpful quantifier of what can be delivered on a site. Developments in Westminster are largely higher density mixed-use schemes, and the mix of uses is often the determining factor in the number of housing units delivered.

## 6.6 Site Size

- 6.6.1 Table 1 shows the historic delivery of housing in Westminster over the past six years. This is split into small, medium and large sites.

**Table 1: Housing delivery by size of site**

Year	Site Size			Total Net Units
	Small (1-9)	Medium (10-49)	Large (50+)	
<b>2013-14</b>	268	142	129	539
<b>2014-15</b>	348	130	261	739
<b>2015-16</b>	179	259	465	903
<b>2016-17</b>	307	277	758	1342
<b>2017-18</b>	129	353	660	1142
<b>2018-19</b>	145	249	409	803
<b>TOTAL</b>	<b>1376</b>	<b>1410</b>	<b>2682</b>	<b>5468</b>
<b>Average</b>	<b>229</b>	<b>235</b>	<b>447</b>	<b>911</b>

6.6.2 Table 1 shows that higher housing delivery on large sites has been forthcoming more recently, but a steady rise in the number of sites delivering between 10 and 49 net units and a fall in the number of smaller sites can also be observed. This is likely to be down to a number of factors including the recent strength of the residential market, and changes in national and regional planning policy that encourage site optimisation and building at higher densities. In percentage terms an average of 49% of housing has been delivered on large sites, with 25% on small sites of less than 10 net units, and 26% of delivery on medium sized sites.

6.6.3 Table 2 shows the projected delivery of housing on sites under construction or with planning permission<sup>3</sup>.

**Table 2: Projected housing delivery by size of site**

Status	Site Size			Total Net Units
	Small (1-9)	Medium (10-49)	Large (50+)	
<b>Under Construction</b>	394	927	4610	5931
<b>Planning Permission</b>	290	362	560	1212
<b>TOTAL</b>	<b>684</b>	<b>1289</b>	<b>5170</b>	<b>7143</b>
<b>Average</b>	<b>342</b>	<b>645</b>	<b>2585</b>	<b>3572</b>

6.6.4 Table 2 shows that there are currently more medium and large sites projected to be delivered than in the past, continuing the trends seen above. In percentage terms this equates to an average of 15% of future schemes coming from small sites, 23% from medium-sized sites, and 62% from large sites; however, this must be tempered by the fact that larger sites will have longer build-out rates and schemes are often revised during the build-out period. This means that smaller schemes are likely to be under-represented in the above projected figures.

6.6.5 The percentage of units coming from different sized sites for both delivered and projected schemes is set out in Table 3 below.

**Table 3: Delivered and projected units by site size (%)**

Status	Small Sites (<10)	Medium Sites (11-49)	Large Sites (50+)
<b>Delivered %</b>	25%	26%	49%
<b>Projected %</b>	15%	23%	62%
<b>Overall Average</b>	<b>16%</b>	<b>21%</b>	<b>62%</b>

<sup>3</sup> N.B. projected figures include all sites with planning permission or under construction, including potentially stalled developments or those that may be superseded

- 6.6.6 The quicker build-out times on small sites means that there is likely to be an underestimation in the percentage of projected schemes for these and for some medium sized sites; however, there is a trend towards larger numbers of units being delivered on large and medium sites as seen above. It is therefore appropriate to consider that future windfalls will come forward on the basis of 20% delivery on small sites, 30% on medium-sized sites, and 50% on large sites.
- 6.6.7 Using the 6-year averages above, if all sites were delivered as windfalls, this would mean that around 230 units per year could be expected on small sites, 235 units per year on medium-sized sites, and around 450 units per year on large sites.
- 6.7 Identified Sites
- 6.7.1 Table 4 shows the delivery of homes on previously identified sites. This includes sites identified in the Core Strategy (2011), City Plan (2013) and City Plan (2016). Delivery within the boundaries of these sites have almost all been schemes of 50+ units (93%).

**Table 4: Housing delivery on previously identified sites**

Year	Completions on identified sites	Total net completions	% of completions on identified sites
<b>2013-14</b>	8	539	1%
<b>2014-15</b>	1	739	0%
<b>2015-16</b>	1	903	0%
<b>2016-17</b>	277	1342	21%
<b>2017-18</b>	167	1142	15%
<b>2018-19</b>	434	803	54%
<b>TOTAL</b>	<b>888</b>	<b>5468</b>	<b>16%</b>
<b>Average</b>	<b>148</b>	<b>911</b>	<b>16%</b>

- 6.7.2 As shown in Table 4, delivery on identified sites has only recently occurred. It is likely that the first three years' data above is largely anomalous as delivery occurred only on very small portions of the identified sites. The sites themselves were identified as of importance in delivering large volumes of housing and strategic infrastructure. It would therefore be more accurate to take a three-year average from 2016-17 to 2018-19, where the majority of completions came from 50+ unit schemes (95%). This would equate to 30% of total completions taking place on identified sites during this period.
- 6.7.3 Table 5 shows the projected delivery of homes on these previously identified (in the adopted local plan) sites from those under construction or with planning permission.

**Table 5: Projected housing delivery on previously identified sites**

Status	Projected completions on identified sites	Total projected completions	% of projected completions on identified sites
<b>Under Construction</b>	2243	5931	38%
<b>Planning Permission</b>	335	1212	28%
<b>TOTAL</b>	<b>2578</b>	<b>7143</b>	<b>36%</b>

6.7.4 Table 5 shows sustained delivery on identified sites is likely over the next 5-year period, with an average of 36% of projected delivery forecast to occur on identified sites. Going forward, the council intends to identify further large sites and formally allocate them through a Site Allocations DPD, meaning that this percentage is likely to rise over the plan period.

6.7.5 Using a combination of the three most recent years' delivery and the projected delivery, 47% of the delivery of sites of 50 or more units has occurred or is occurring on identified sites. This is shown in Table 6 below.

**Table 6: Recent and projected delivery on large sites**

Delivery	Total Delivery	Delivery on Large Sites	Large Site Delivery on Identified Sites	Percentage of Large Site Delivery on Identified Sites
<b>2016-17</b>	1342	758	258	34%
<b>2017-18</b>	1142	660	162	25%
<b>2018-19</b>	803	409	409	100%
<b>Under Construction</b>	5931	4610	2214	48%
<b>Planning Permission</b>	1212	560	280	50%
<b>TOTAL</b>	<b>10430</b>	<b>6997</b>	<b>3323</b>	<b>47%</b>
<b>Overall Average</b>	<b>2086</b>	<b>1399</b>	<b>665</b>	<b>47%</b>

6.7.6 Given the likelihood of further large sites being identified through the forthcoming Site Allocations DPD, we can assume that identified sites will represent 50% of delivery of schemes of 50 or more units. This means that no more than 50% of housing supply from large sites will come forward as windfall. The adoption of City Plan 2019-2040 will provide an up-to-date strategic policy context to give developers more certainty on what can be achieved. Through undertaking the production of a formal Site Allocations DPD, the council is also likely to receive further sites from interested landowners and developers.

6.7.7 In this context, the windfall allowance for larger sites should be reduced by 50%. This would mean that the number of units coming forward on large windfall sites would fall to an average of 225 per year.

6.8 Office to Residential Development in the CAZ

6.8.1 Another factor to be considered in windfall calculations is the impact of changes in policy in the draft City Plan 2019-2040 and London Plan on office to residential conversions. London Plan policies E1, SD4 and SD5 ('intend to publish version') all seek to protect office floorspace, particularly within London's commercial heart, the Central Activities Zone (CAZ). The CAZ makes up a large proportion of Westminster's land area.

6.8.2 The undermining of the key strategic employment functions of the CAZ as a result of the loss of office floorspace is a key concern for both the council and the Mayor of London. In 2013, the government introduced permitted development rights to allow the conversion of offices to residential use. The CAZ was given a 3-year exemption from these permitted development rights due to the importance to the national economy of office-based activity within it. Once this exemption ended, the council made a direction under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 to effectively continue the exemption.

6.8.3 Despite the continued protection from permitted development rights, since April 2013 planning permissions have resulted in a significant continued loss of office space to residential use in the CAZ in Westminster. As set out in the council's Authority Monitoring Report 2018-19, 403,983 sqm of office space in the CAZ in Westminster has been lost to residential development or mixed-use schemes incorporating residential over the period 2013-19, and permission exists for the loss of approximately a further 556,000 sqm. This clearly indicates adopted City Plan policy on the protection of office space needed strengthening, which the council has sought to do through the new draft City Plan 2019-2040.

6.8.4 City Plan 2019-2040 draft policy 14D (including proposed modifications) resists the net loss of office floorspace from the CAZ unless:

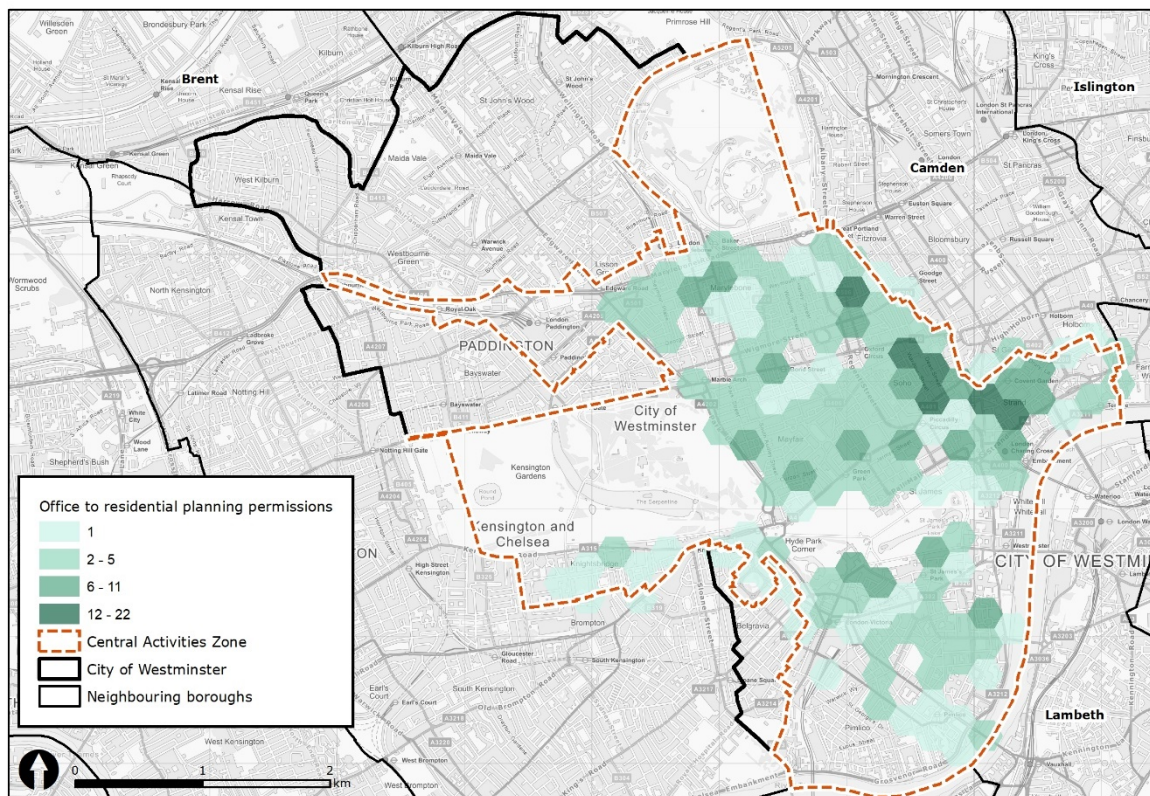
1. the proposal is in a predominantly residential area and would re-instate an original residential use; or
2. any loss of floorspace is necessary as part of the renewal of outdated stock to secure a high-quality office development with ancillary facilities that meets the needs of modern working practices; or
3. the proposal is for the replacement of ground floor office space within the town centre hierarchy with an A1 or complementary town centre use; or



4. there is no interest in the continued use of the site for office purposes, as demonstrated by vacancy and appropriate marketing for a period of at least 18 months, and the replacement use is for educational, community or hotel use.

6.8.5 Clearly this strengthening of policy protection means that past windfall trends of residential growth at the expense of office floorspace cannot simply be rolled forward. To consider the anticipated future impact of proposed Policy 14D on windfall assumptions, the council therefore carried out analysis of where in the CAZ planning permission has been granted or implemented for all schemes securing residential growth at the expense of office floorspace from the period 2013-19. The location of such sites is shown on figure 1 below.

**Figure 1: Locations within CAZ where permission has been granted for loss of office floorspace to residential**



6.8.6 Figure 1 shows that permissions have been granted across much of the CAZ in Westminster, with notable concentrations in Soho and Covent Garden.

6.8.7 Table 7 shows historic delivery from office to residential in the CAZ from 2013-19 and compares this with overall delivery.

**Table 7: Office to Residential Completions in the CAZ**

Year	CAZ Office to Residential completions	Total net completions	% of Office to Residential CAZ completions
<b>2013-14</b>	311	539	58%
<b>2014-15</b>	397	739	54%
<b>2015-16</b>	405	903	45%
<b>2016-17</b>	858	1342	64%
<b>2017-18</b>	688	1142	60%
<b>2018-19</b>	103	803	13%
<b>TOTAL</b>	<b>2762</b>	<b>5468</b>	<b>51%</b>
<b>Average</b>	<b>460</b>	<b>911</b>	<b>51%</b>

6.8.8 Table 7 shows that over 50% of Westminster's total residential delivery, including from identified sites, has come from office to residential development in the CAZ. The effect of recent policy changes through the London Plan and the publication of the draft City Plan 2019-2040 policy may be partly responsible for the significant reduction in year 2018-19 as developers have anticipated changes to planning policy, although the strengthening central London commercial market is also likely to be a significant factor in reducing the attractiveness of office to residential development in the CAZ.

6.8.9 Table 8 below shows that the trend for office to residential development in the CAZ seems to be gradually slowing for the reasons outlined above, although 42% of projected delivery from pipeline schemes is still coming forward from this source.

**Table 8: Projected CAZ Office to Residential delivery**

Status	Projected CAZ Office to Residential completions	Total projected completions	% of projected Office to Residential CAZ completions
<b>Under Construction</b>	2835	5931	48%
<b>Planning Permission</b>	153	1212	13%
<b>TOTAL</b>	<b>2988</b>	<b>7143</b>	<b>42%</b>

6.8.10 It is also helpful to analyse delivery by site size, in order to assess the impact of a potential reduction in such schemes going forward. This is summarised in Table 9.



**Table 9: Delivery of office to residential CAZ schemes by site size**

Status	Small Sites (<10)	Medium Sites (11-49)	Large Sites (50+)	Total
<b>Delivered</b>	988	807	967	2762
<b>Projected</b>	113	739	2136	2988
<b>TOTAL</b>	<b>1101</b>	<b>1546</b>	<b>3103</b>	<b>5750</b>
<b>Overall Average</b>	<b>138</b>	<b>193</b>	<b>388</b>	<b>719</b>

6.8.11 The percentage of units coming from different sized sites for both delivered and projected CAZ office to residential schemes is set out in Table 10 below.

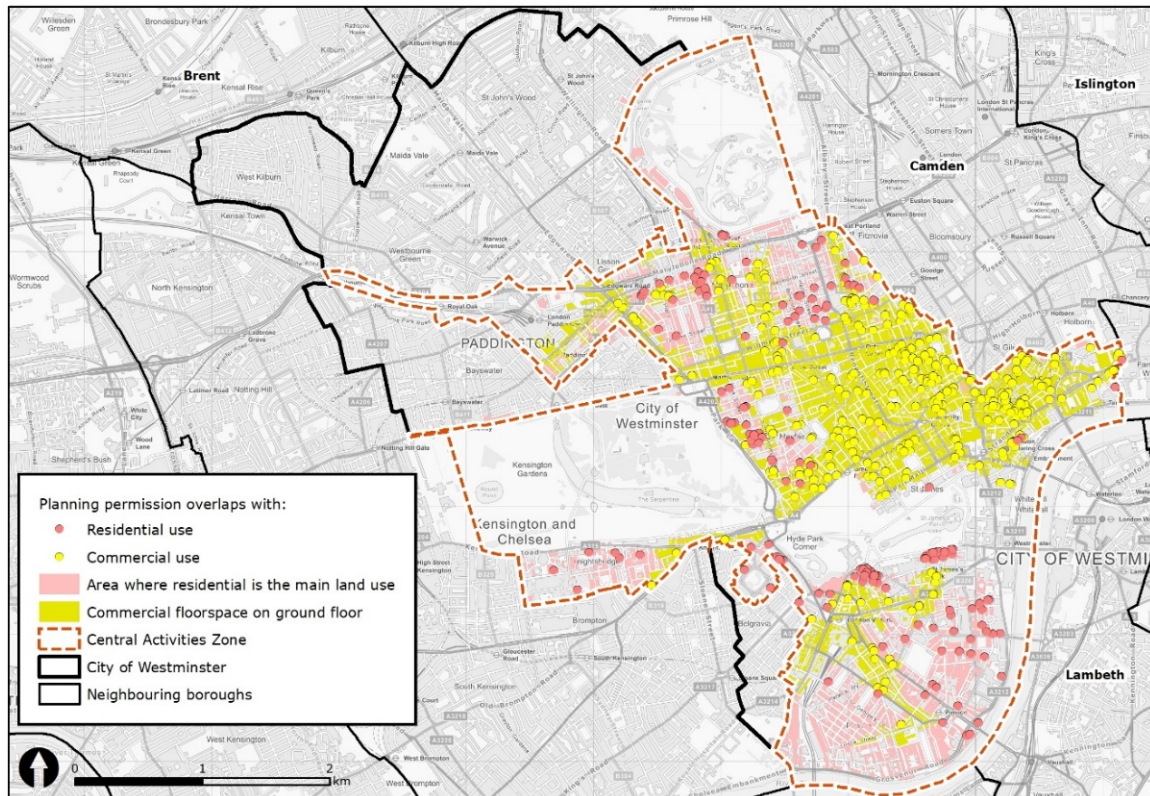
**Table 10: Delivered and projected CAZ office to residential units by site size (%)**

Status	Small Sites (<10)	Medium Sites (11-49)	Large Sites (50+)
<b>Delivered %</b>	72%	57%	36%
<b>Projected %</b>	17%	57%	41%
<b>Overall Average</b>	<b>54%</b>	<b>57%</b>	<b>40%</b>

6.8.12 Overall, office to residential schemes in the CAZ account for a significant proportion of schemes across all site types. In percentage terms, this equates to 54% of small sites, 57% of medium-sized sites and 40% of large sites. Nevertheless, recent policy and market changes have already had an impact on the delivery of larger schemes, with no units delivered on large office to residential CAZ sites in 2018-19 and no outstanding units permitted on such sites that are currently unimplemented.

6.8.13 Further analysis has also been carried out to consider the rich mix of land uses across the CAZ, and to categorise parts that are largely commercial in character and parts that can be classed as 'predominantly residential'. To achieve this, the council's own updates to the 1990 Land Use Survey have been used to map where residential is the dominant use in individual buildings. 2019 GOAD data has then been used to refine this, to remove buildings that have a commercial ground floor use. Combining this data highlights how the commercial functions of the CAZ are interspersed with largely residential areas – such as Marylebone, and across much of Pimlico, Knightsbridge, and western Mayfair.

6.8.14 Permissions for loss of office floorspace to residential were then plotted over these categories, to determine to what extent such proposals came forward in those parts of the CAZ that are predominantly residential in character. The results are shown in Figure 2 below.

**Figure 2: CAZ character areas and planning permissions**

6.8.15 Analysis of the permissions identified in Figure 2 above indicates that approximately 37% of permitted residential units in the CAZ that have come from sites previously occupied by offices can be classed as falling in areas where residential is the main land use (i.e. on the sites marked red above as opposed to yellow). It is therefore likely that such permissions would also be granted under the policy in the new draft City Plan 2019-2040. This is detailed in Table 11 below.

**Table 11: Office to Residential development in the CAZ by character area**

Delivery	Total CAZ Office to Residential	CAZ Commercial Area Delivery	% in CAZ Commercial Area	CAZ Resi Area Delivery	% in CAZ Resi Area
<b>2013-14</b>	311	242	78%	69	22%
<b>2014-15</b>	397	230	58%	167	42%
<b>2015-16</b>	405	286	71%	119	29%
<b>2016-17</b>	858	369	43%	489	57%
<b>2017-18</b>	688	396	58%	292	42%
<b>2018-19</b>	103	57	55%	46	45%
<b>Under Construction</b>	2835	2005	71%	830	29%

<b>Planning Permission</b>	153	64	42%	89	58%
<b>TOTAL</b>	<b>5750</b>	<b>3649</b>	<b>63%</b>	<b>2101</b>	<b>37%</b>
<b>Overall Average</b>	<b>719</b>	<b>456</b>	<b>63%</b>	<b>263</b>	<b>37%</b>

6.8.16 Table 11 shows that there has been significant delivery of housing in commercial areas that will now be unlikely following changes to planning policy.

6.8.17 In order to consider what level of discount should be applied to the overall windfall allowance, it is useful to consider what the proportion of overall delivery is represented by CAZ office to residential schemes within the commercial areas. This is summarised in Table 12 below.

**Table 12: CAZ office to residential development in commercial areas as a proportion of overall delivery**

<b>Year</b>	<b>Total net completions</b>	<b>CAZ Office to Residential Commercial Areas completions</b>	<b>% of completions from Office to Residential in CAZ Commercial Areas</b>
<b>2013-14</b>	539	242	45%
<b>2014-15</b>	739	230	31%
<b>2015-16</b>	903	286	32%
<b>2016-17</b>	1342	369	27%
<b>2017-18</b>	1142	396	35%
<b>2018-19</b>	803	57	7%
<b>TOTAL</b>	<b>5468</b>	<b>1580</b>	<b>29%</b>
<b>Average</b>	<b>911</b>	<b>263</b>	<b>29%</b>

6.8.18 Table 12 shows that an average of 29% of overall delivery has come forward from office to residential development in predominantly commercial areas of the CAZ. A similar percentage of projected schemes has also come forward in this location, as detailed in Table 13 below.

**Table 13: CAZ office to residential development in commercial areas as a proportion of projected delivery**

Status	Total projected net completions	Projected CAZ Office to Residential Commercial Areas completions	% of projected completions from Office to Residential in CAZ Commercial Areas
<b>Under Construction</b>	5931	2005	34%
<b>Planning Permission</b>	1212	64	5%
<b>TOTAL</b>	<b>7143</b>	<b>2069</b>	<b>29%</b>

6.8.19 The evidence above demonstrates that a 29% discount should be applied to windfall assumptions across all sites on the basis that office to residential development in predominantly commercial areas of the CAZ will no longer come forward.

## 6.9 Conclusions

6.9.1 The evidence presented above indicates that Westminster's windfall allowance should continue to be split between large and small sites. This is due to the identified sites in Westminster's housing trajectory being those of 50 or more units and the subsequent reduction in large windfall sites.

6.9.2 The large sites windfall assumptions have been reduced by 50% from trend data to account for the identified sites in the housing trajectory. The trend data is based on an average derived from the previous three years' delivery combined with expected delivery from developments under construction and with planning permission.

6.9.3 The definition of a small site for the purpose of windfall calculation has been expanded to include all developments providing between 1 and 49 net new homes, to align with the Mayor's London Plan definition of a small site based on hectareage (up to 0.25ha) combined with the higher densities generally seen in Westminster. Trend data for small sites is based on an average derived from the previous six years' delivery.

6.9.4 The reduction in office to residential developments in the CAZ as a result of policy changes in the new London Plan and draft City Plan 2019-2040 has also been accounted for in light of the evidence presented above, by reducing all windfall assumptions by 29% from trend data.

6.9.5 The resulting windfall allowance provides for 160 units per year from large sites, and 330 units per year from small sites, giving an overall windfall

allowance of 490 units per year. Given the draft City Plan policies in relation to upwards extensions, the focus of the new London Plan on the delivery of small sites, and national planning policy and permitted development rights creating a positive policy context, it is considered reasonable to round up the windfall allowance to provide for 500 units per year, starting from year 6 of the plan period (2024-25). This equates to 5,000 units over years 6-15 of the plan period.

## 7 Housing Trajectory

- 7.1 The council has prepared a list of housing sites that make up Westminster's housing trajectory. The sites are grouped by broad location and are listed by delivery phase (years 1-5; 6-10 and 11-15). The sites listed individually are those providing at least 50 net homes.
- 7.2 The trajectory provides information on the current planning/development status, the number of housing units expected to be provided, and a judgement on whether they are considered deliverable or developable, in line with national planning policy. Sites with no planning status have been subject to individual assessment as outlined above. Evidence on deliverability or developability is contained in the notes on suitability, availability and achievability in Table 14.
- 7.3 Smaller deliverable sites with planning permission and under construction have been grouped together. Other developable sites have also been grouped together, including those currently under pre-application discussions and other small council-owned sites. An allowance for windfalls has been added for years 6-10 and 11-15, based on the assumptions outlined above.
- 7.4 Housing Land Supply Calculations
  - 7.4.1 From the information outlined in the trajectory, there is a supply of 6,914 units making up supply in years 1-5, comprised of deliverable housing sites. Detail on the smaller sites contained in the trajectory is set out in the accompanying 5-Year Land Supply Statement.
  - 7.4.2 For years 6-10 of the plan period there is a supply of 5,136 units coming from developable housing sites, including an allowance of 2,500 units from windfalls. For years 11-15, there is a supply of 5,175 units from developable housing sites, including an allowance of 2,500 units from windfalls.
  - 7.4.3 This means that there is a total housing land supply of 17,225 units for years 1-15 of the plan period.

Table 14: Westminster's Housing Trajectory 2019-34

Site Name	Planning / Development Status	Delivery phase	Net Housing units	Deliverable / Developable	Notes on suitability, availability and achievability
<b>Paddington Opportunity Area</b>					
<b>Dudley House</b>	Completed 2019-20	1-5	151	Deliverable	The development has now been completed.
<b>North Wharf Road</b>	Under construction	1-5	100	Deliverable	The site has full planning permission and is currently under construction.
<b>Harbet Road (Merchant Square building 3)</b>	Planning application (pending decision)	6-10	426	Developable	WCC resolved to grant planning permission in April 2019. Subject to Mayoral approval, there is no indication that the development will not be completed within the indicated timeframe.
<b>Travis Perkins</b>	No planning status	6-10	75	Developable	Site is in a suitable location, although constrained by its proximity to the Westway. It is in single ownership and the landowner has expressed interest in redeveloping the site. The site has potential to be redeveloped for a mixed use scheme.
<b>St Mary's Hospital</b>	No planning status	11-15	400	Developable	Site is in a suitable location, although partially constrained by heritage designations. The majority of the site is in single ownership and the landowner has expressed interest in redeveloping the site. A mixed use scheme could come forward as part of the comprehensive redevelopment of the hospital.
<b>Victoria Opportunity Area</b>					
<b>New Scotland Yard</b>	Under construction	1-5	268	Deliverable	The site has full planning permission and is currently under construction.
<b>Palace Street / Buckingham Gate</b>	Under construction	1-5	72	Deliverable	The site has full planning permission and is currently under construction.



<b>Victoria Coach Station (Arrivals)</b>	No planning status	6-10	75	Developable	Site is in a suitable location, although constrained by neighbouring heritage designations. The freehold is in single ownership and the landowner has expressed interest in redeveloping the site. The site has potential to be redeveloped for a mixed use scheme.
<b>Terminus Place</b>	No planning status	11-15	100	Developable	Site is in a suitable location but is subject to the wider redevelopment of the area around Victoria Station relating to Crossrail 2. Listed buildings are present within the site and in its proximity. Although there are multiple leaseholders, the site has potential to be comprehensively redeveloped for a mixed use scheme.
<b>Victoria Coach Station (Departures)</b>	No planning status	11-15	230	Developable	Although constrained by surrounding heritage designations, the site is in a suitable location and under multiple ownership. Redevelopment is dependent on the relocation of Victoria Coach Station. The landowners have expressed an interest in bringing this site forward for a mixed use development if the coach station is relocated.
<b>Tottenham Court Road Opportunity Area</b>					
<b>Tottenham Court Road Elizabeth Line Station (Oxford Street / Dean Street)</b>	Under construction	1-5	87	Deliverable	The site has full planning permission and is currently under construction.
<b>Church Street/ Edgware Road Housing Renewal Area</b>					
<b>Luton St / Capland Road</b>	Under construction	1-5	157	Deliverable	The site has full planning permission and is currently under construction.
<b>466-490 Edgware Road</b>	Under construction	1-5	76	Deliverable	The site has full planning permission and is currently under construction.



<b>Parson's North</b>	Under construction	1-5	60	Deliverable	The site has full planning permission and is currently under construction.
<b>West End Gate</b>	Under construction	1-5	628	Deliverable	The site has full planning permission and is currently under construction.
<b>Paddington Green</b>	Under construction	1-5	194	Deliverable	The site has full planning permission and is currently under construction.
<b>Lisson Arches</b>	Under construction	1-5	59	Deliverable	The site has full planning permission and is currently under construction.
<b>Church Street Site A</b>	No planning status (council Housing Investment Plan)	1-5 (phase 1) / 6-10 (phase 2)	233 (100 phase 1, 133 phase 2)	Deliverable (phase 1)/ Developable (phase 2)	The site is identified in the council's Housing Investment Plan and in the Church Street Masterplan (2017). Detailed site assessment work is taking place with a view to submitting a planning application within this year with construction expected to begin by 2022.
<b>Council Offices, Lisson Grove</b>	Pre-application (council Housing Investment Plan)	6-10	150	Developable	The site is identified in the council's Housing Investment Plan and in the Church Street Masterplan (2017). Detailed site assessment work is taking place.
<b>Church Street Site B</b>	No planning status (council Housing Investment Plan)	6-10 / 11-15	288	Developable	The site is identified in the council's Housing Investment Plan and in the Church Street Masterplan (2017).
<b>Gateforth and Cockpit Theatre</b>	No planning status (council Housing Investment Plan)	11-15	98	Developable	The site is identified in the council's Housing Investment Plan and in the Church Street Masterplan (2017).
<b>Church Street Site C</b>	No planning status (council Housing Investment Plan)	11-15	72	Developable	The site is identified in the council's Housing Investment Plan and in the Church Street Masterplan (2017).
<b>Ebury Bridge Housing Renewal Area</b>					

<b>Ebury Bridge Estate</b>	Pre-application (council Housing Investment Plan)	1-5 (Phase 1) / 6-10 (Phase 2)	400 (87 phase 1, 313 phase 2)	Deliverable (Phase 1) / Developable (Phase 2)	The site is identified in the council's Housing Investment Plan. The site is under pre-application discussions and detailed site assessment work is taking place with a view to submitting a planning application within this year, with construction expected to begin by 2023.
<b>North Westminster</b>					
<b>St John's Wood Road / Lodge Road</b>	Planning application (pending decision)	1-5	101	Deliverable	WCC resolved to grant planning permission in October 2019. Subject to legal agreement, there is no indication that the development will not be completed within the indicated timeframe.
<b>Tollgate Gardens</b>	Under construction	1-5	106	Deliverable	The site has full planning permission and is currently under construction.
<b>Hathaway House, Woodfield Road</b>	Under construction	1-5	74	Deliverable	The site has full planning permission and is currently under construction.
<b>221-235 Lanark Road</b>	Under construction	1-5	73	Deliverable	The site has full planning permission and is currently under construction.
<b>Queens Grove / Finchley Road</b>	Under construction	1-5	66	Deliverable	The site has full planning permission and is currently under construction. There have been delays due to London Underground tunnel works. The developer has stated their intention to go ahead with the scheme.
<b>Bayswater Road / Fosbury Mews</b>	Under construction	1-5	50	Deliverable	The site has full planning permission and is currently under construction.
<b>Jubilee Sports Centre, Caird Street</b>	Under construction	1-5	56	Deliverable	The site has full planning permission and is currently under construction.
<b>Dora House, 60 St John's Wood Road</b>	Under construction	1-5	79	Deliverable	The site has full planning permission and is currently under construction.
<b>Whiteleys Centre</b>	Under construction	1-5	153	Deliverable	The site has full planning permission and the council has no indication that the development will not be completed with the indicate timeframe.

<b>St John's Wood Barracks, Ordnance Hill</b>	Under construction (stalled)	1-5	163	Deliverable	Works have currently stalled at this site, and it is linked to the development of another site. The developer has advised that works due to resume in 2020/21.
<b>Warwick Community Hall, 300 Harrow Road</b>	Planning application (pending decision) (council Housing Investment Plan)	6-10	112	Developable	The site does not have planning permission but has been identified in the council's Housing Investment Plan. A planning application has been submitted and it is scheduled for decision in April 2020.
<b>Carlton Dene, 45 Kilburn Park Road</b>	Pre-application (council Housing Investment Plan)	6-10	88	Developable	The site is identified in the council's Housing Investment Plan. Detailed site assessment work is taking place.
<b>Queensway / Moscow Road / Salem Road / Queens Mews</b>	Planning application (pending decision)	6-10	60	Developable	A planning application was submitted but is likely to be withdrawn and replaced with a different scheme. The site is considered developable.
<b>Paddington Exchange</b>	No planning status	11-15	200	Developable	Site is in a suitable location, although constrained by its proximity to the Westway. It is in single ownership and the landowner has expressed interest in redeveloping the site. The site has potential to be redeveloped for a mixed use scheme.
<b>Queensway / Inverness Terrace</b>	Planning application (pending decision)	6-10	90	Developable	A planning application was submitted, the scheme has been revised and is pending decision.
<b>Paddington Green Police Station</b>	No planning status	6-10	350	Developable	Site is in a suitable location. It is in single ownership and the landowner has expressed interest in redeveloping the site. The site has potential to be redeveloped for a mixed use scheme. Detailed site assessment work is taking place.
<b>Westmead, Tavistock Road</b>	No planning status	6-10	68	Developable	The site has been identified as developable in the long term following the closure of the existing care home. Detailed site assessment work is taking place with a view to submitting a planning application in the near future.

<b>Harrow Road / Elmfield Way</b>	No planning status	11-15	100	Developable	This site is in an accessible location and has been identified as a redevelopment opportunity in the longer term. It is currently in use as supported housing and sports facilities. These should be re-provided as part of a redevelopment of the site unless shown to be surplus to requirements. The site is considered developable.
<b>Edgware Road Station / Capital House / Griffith House</b>	No planning status	11-15	280	Developable	Site is in a suitable location, although constrained by existing transport infrastructure. It is in multiple ownership however the majority landowner has expressed interest in redeveloping the site. The site presents an opportunity for comprehensive redevelopment through a mixed use scheme.
<b>Royal Oak</b>	No planning status	11-15	200	Developable	Site is in a suitable location, although constrained by its proximity to the Westway and adjacent railway land. It is currently safeguarded for Elizabeth Line works, but this is unlikely to impact the development of the site. It is in single ownership and currently vacant and has previously been subject to pre-application discussions for a mixed use development. Physical constraints may mean there are viability challenges, but the site is considered developable.
<b>Westbourne Park Bus Garage</b>	No planning status	11-15	50	Developable	Site is in a suitable location, although constrained by its proximity to the Westway, adjacent railway land. It is currently safeguarded for Elizabeth Line works, but this is unlikely to impact the development of the site. It is currently in use as a bus garage. The site is considered developable in the longer term.
<b>Central Westminster</b>					
<b>22 Hanover Square</b>	Under construction	1-5	81	Deliverable	The site has full planning permission and is currently under construction.
<b>Park Crescent / Portland Place</b>	Under construction	1-5	73	Deliverable	The site has full planning permission and is currently under construction.

<b>Marble Arch / Edgware Road</b>	Under construction	1-5	54	Deliverable	The site has full planning permission and is currently under construction.
<b>87-89 Cleveland Street</b>	Under construction (stalled)	1-5	105	Deliverable	Works have currently stalled at this site, but they are expected to resume shortly.
<b>Baker Street / George Street</b>	Planning permission (live, unimplemented)	1-5	51	Deliverable	The site has full planning permission and the council has no indication that the development will not be completed with the indicate timeframe.
<b>Moxon Street Car Park / Aybrook Street</b>	Under construction (stalled)	6-10	79	Developable	Works have currently stalled at this site, but the site is still considered developable.
<b>Shaftesbury Avenue</b>	No planning status	11-15	70	Developable	Site is in a suitable location, although constrained by heritage designations and safeguarded strategic views. It is currently safeguarded in relation to Crossrail 2 and is considered developable in the longer term as part of potential over station development.
<b>South Westminster</b>					
<b>New Court</b>	Completed 2019-20	1-5	221	Deliverable	The development has now been completed.
<b>First Chicago House</b>	Under construction	1-5	119	Deliverable	The site has full planning permission and is currently under construction.
<b>Stockley House, Wilton Road</b>	Under construction	1-5	108	Deliverable	The site has full planning permission and is currently under construction.
<b>Ergon House</b>	Under construction	1-5	108	Deliverable	The site has full planning permission and is currently under construction.
<b>Millbank</b>	Under construction	1-5	207	Deliverable	The site has full planning permission and is currently under construction.
<b>Old War Office</b>	Under construction	1-5	85	Deliverable	The site has full planning permission and is currently under construction.
<b>Arundel Great Court</b>	Under construction	1-5	151	Deliverable	The site has full planning permission and is currently under construction.

<b>Alexandra Buildings, Castle Lane</b>	Planning permission (live, unimplemented)	1-5	86	Deliverable	The site has full planning permission and the council has no indication that the development will not be completed with the indicate timeframe.
<b>Chelsea Barracks</b>	Under construction	1-5	361	Deliverable	The site has full planning permission and is currently under construction.
<b>Hyde Park Barracks</b>	No planning status	11-15	250	Developable	Site is in a suitable location. Although it is designated as Metropolitan Open Land it is a brownfield site. Nearby heritage assets include the registered Hyde Park. It is in single ownership and the landowner has expressed interest in redeveloping the site in the longer term. The site has potential to be redeveloped for a mixed use scheme but is subject to an act of parliament to release the land from MOD use.
<b>Queen Alexandra Military Hospital</b>	No planning status	11-15	170	Developable	Site is in a suitable location and has potential for a partial redevelopment. Some of the existing buildings are of historic merit and should be retained although conversion may be possible. It is in single ownership and the landowner has express interest in redeveloping the site in the longer term. The site has potential to be redeveloped for a mixed use scheme.
<b>Other deliverable sites providing fewer than 50 net homes</b>	Under construction/ Planning permission granted	1-5	2,144	Deliverable	-
<b>Other developable sites</b>	Including sites under pre-application discussions and other identified council sites	6-10 / 11-15	784	Developable	-
<b>Windfalls</b>	N/A	6-10 / 11-15	5,000	Developable	-

<b>Total Deliverable Housing Supply (Years 1-5)</b>	-	1-5	6,914	-	-
<b>Total Developable Housing Supply (Years 6-10)</b>	-	6-10	5,136	-	-
<b>Total Developable Housing Supply (Years 11-15)</b>	-	11-15	5,175	-	-
<b>OVERALL TOTAL</b>	-	-	<b>17,225</b>	-	-