

**APPENDIX – STATEMENT – SHAFTESBURY Plc**

**Matter 4 – Housing (Relevant Policies 8-13)**

**Q.6 Should the City Plan set out a housing requirement for designated areas (Para 65 of the NPPF)?**

Whilst para 65 of the NPPF requires that “*strategic policies should ... set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations*”, we strongly consider that the Central Activities Zone and more specifically the very central areas of Soho and Chinatown should not be the subject of specific allocated housing targets over the plan period.

Whilst residential can and should continue to be an acceptable land use within central areas, it must be recognised that the CAZ is where economic and leisure activities are specifically directed, and that residential uses are not always appropriate in some locations, which will naturally limit the numbers of units that can be accommodated there.

A large part of Shaftesbury’s portfolio is centred around Soho and Chinatown, and many of the buildings in these areas are in mixed use and are not readily suitable for residential uses. In addition to this, it has long been recognised that the narrow streets, historic built form, proliferation of entertainments uses and a lack of amenity space in these areas has naturally constricted both the supply and demand of new residential development. It is therefore our view that the imposition of neighbourhood housing requirements in these areas would not be realistic or feasible and would likely impact upon the flexible approach to land uses that has worked well over the years and on the delivery of new commercial floorspace in the heart of the CAZ.

Typically, our estate, which is completely situated within the West End, has benefitted (subject to planning) from being able to adapt land uses within buildings to reflect the changing retail environment and consumer spending patterns; or to reflect the changing demands of office occupiers to provide appropriate accommodation. We have also provided new residential accommodation on the upper floors of our buildings where appropriate and where the building suits. The prevalence of conservation areas and historic buildings throughout these areas often limits significant redevelopment.

Therefore, having flexibility to adapt buildings has gone a long way in underpinning the economic sustainability of buildings for generations as uses have ebbed and flowed.

**COVID-19**

The flexibility referred to above will have even greater importance as the country recovers from the COVID-19 pandemic, and any fixed residential targets may ultimately impact upon this flexibility and may result in vacant buildings, and underutilised space.

**Q.28 In overall terms is the policy in general conformity with the London Plan? How would the London Plan and City Plan interrelate on this issue in terms of dealing with specific proposals?**

The policy text refers to all liable residential developments providing 35% of units as affordable. Notably, the draft London Plan seeks to calculate the same requirements based on habitable rooms.

The City Plan will only conform with the London Plan if a habitable room calculation is adopted rather than being based on units. Affordable housing has been assessed using habitable rooms as the preferred approach across London Boroughs for several years. It is also a better assessment of the quantum of housing being delivered, particularly when housing mix may differ between tenures.

**Q.30 What is the basis for seeking affordable housing contributions from office and hotel developments in principle? Is the approach justified, consistent with national policy and in general conformity with the London Plan?**

It is recognised that Westminster has historically had policies in place which require affordable housing contributions from commercial schemes (although not from hotel development). These policies have had mixed success over the years and the Council has previously adapted this policy to reflect market patterns – however these policy changes have often been too slow in coming online to have the desired effect.

It would be eminently preferable if the City Plan simply conformed with the London Plan and National Policy and removed the requirement for affordable housing contributions from office and hotel developments – specifically in the CAZ. This again would provide developers with certainty moving forward, and would facilitate the economic development that is required within the CAZ to drive London’s economy forward.

The policy as drafted also does not clearly reference viability testing, and only passing reference is made to ‘viability’. Viability considerations are a core component of the NPPF, particularly identified in paragraphs 57, 67, 85 and 122. To be considered ‘sound’ against the NPPF, the policy should include clear references to financial viability.

In addition, further clarity is required regarding the unit of measurement to which the floorspace increase applies (NIA, GIA, or GEA?).

**COVID-19**

The certainty that comes with policies that are aligned (i.e. City Plan and the London Plan affordable housing policy) is even more fundamental than usual to developers as they look to make important development decisions in a post pandemic context.

## **Q.31 How would the policy affect commercial growth?**

The policy as drafted will significantly impact on the decisions made by commercial developers to bring forward larger office or hotel schemes in Westminster. Shaftesbury has historically managed their estate across the West End by changing uses to respond to market trends and has brought forward a huge number of smaller applications to maximise the efficiency and usability of our holdings. Notwithstanding this we have from time to time invested in larger new office developments and had this policy been in place previously it is highly unlikely that all of these schemes would have come forward, due to the disproportionate financial obligations this policy would have sought.

As an example, a 2,000sqm new office building with a 1,500sqm uplift in floorspace would need to provide a payment-in-lieu to the equivalent of 25% affordable housing based on this 1,500sqm uplift - this equates to 375sqm. In the 'Core Zone' the background evidence submitted by the City Council (Viability Addendum 2 (Commercial mixed use) (WCC, Oct 2019)) states that the charge would be £12,450 per sqm. The total contribution in-lieu of affordable housing would therefore be £4,668,750.

This is an extraordinary amount of money for a relatively small uplift in office floorspace. As a result this policy as currently drafted will have a significant impact on the ability for developers to deliver the office accommodation the Council needs to meet its office floorspace targets and in turn its ability to provide space for the creation of new jobs.

## **Q.37 What is the basis for the approach towards family-sized housing and is this justified?**

Shaftesbury appreciates the objective of the Plan to deliver more homes particularly for families in Westminster. We would question however, whether it is appropriate to deliver family sized homes within the all parts of the CAZ. The heart of the CAZ in Westminster (which is bounded by the new WERLSPA designation) plays a particular role in supporting the night-time economy and commercial growth. It has busy main roads, narrow streets, poorer air, less schools, lacks open space (a great degree of the CAZ fell under 'Areas of Wildlife, Open Space and Play Space Deficiency in the old City Plan) and it will be challenging to provide private amenity space as sought under Policy 13 (which we address later). We question if the CAZ as a whole is an area really appropriate for family housing or indeed an area where families would want to live. Shaftesbury has always found larger size units, particularly over 2 beds, to be difficult to deliver in our building typology and of low demand despite the housing pressures. This is largely because of the reasons outlined above. Families do not often see the busy central parts of the West End as being suitable places to have a permanent home.

The current wording of the policy applies a blanket approach to unit mix, and while it is easier to accommodate the mix in larger redevelopment schemes, it is not clear how this policy applies to 'minor' 1-9 unit schemes bearing in mind that within the CAZ and in particular in areas like Soho and Chinatown, historic buildings may limit the size of unit that can be provided, or the ability to provide a policy compliant mix of unit sizes and/or to comply with

standards regarding cycle parking and amenity space. Greater flexibility should be built-in to the policy wording to recognise these exceptions.

Furthermore draft London Plan Policy H12 states that 'Boroughs should not set prescriptive dwelling size mix requirements (in terms of number of bedrooms) for market and intermediate homes.' This policy appears to go against this principle.