

Affordable Housing and Viability Supplementary Planning Guidance (SPG)

Response of Just Space network to the consultation draft

28 February 2017

Just Space is a 10-year-old network of community organisations which exists to facilitate effective public participation in London planning. It comprises dozens of groups which support each other on local and London-wide issues and, over the past 2 years, has taken the initiative by preparing for the new Mayor a major statement: [Towards a community-led Plan for London: policy directions and proposals.](#)

The draft SPG has been discussed and debated in the light of the network's policies and priorities and this short document presents the key points we wish to press upon the Mayor and officers. Some of the member-organisations in Just Space will be making their own representations and we should especially stress our support for the meticulous commentary prepared by the 35% Campaign, especially in respect of the viability proposals on which they are truly expert.

1. There are no provisions to increase the supply of new housing at **social** rent, or to protect existing stocks. Indeed the social housing requirement on private development projects is proposed to be reduced. Just Space has always argued that social rent is the **ONLY** rent regime which meets the needs of those in the greatest housing need and of Londoners on normal incomes. The evidence for this is even stronger now and homelessness is growing. The swing of emphasis away from meeting the greatest needs started with the previous Mayor and Londoners are looking to the new Mayor to undo that damage, re-emphasise the meeting of needs and base his guidance on evidence of current need. We are aware that a new Strategic Housing Market Assessment is about to start and will inform the London Plan and Housing Strategy. Until the results are available there is no basis for the affordability proposals in the draft SPG.

2. The relatively new idea of developments built from the outset for renting by private developers —called **Build to Rent (BtR)**— is being promoted without adequate preparation or research. It is proposed to grant various privileges for developments of this sort and the whole concept represents such a major change of policy that it should be withdrawn and re-considered as part of the next London Plan. The Mayor may be hoping for a lot of these homes to be built to help meet targets for total output (though they will not contribute to social housing output, despite the proposed privileges) but if there is really as much “investor interest” as claimed, then this output will probably be forthcoming without any new privileges. Pending the adoption of the new London Plan, developments designed for rental should be subject to the same social and affordable requirements as any other scheme.

3. Pending the new London Plan there is merit in the idea that developments which meet (or exceed) a minimum threshold of (genuinely) affordable housing provision should be exempt from the need to present **viability assessments**. But the threshold should be set at 50% “affordable” (the Mayor’s manifesto commitment), not at 35%.

4. Within the required “affordable” housing the requirement for **60% to be social rent** should be revived and enforced. One aim of all this is to lower developers’ profit expectations and thus gradually lower the amounts they pay for land, and the sooner the Mayor starts to push these expectations down the better. Developers whose schemes meet the existing London Plan target of 35-40% “affordable” could still apply and still get permission but would simply not benefit from the fast track handling. The Mayor is surely free to reward those whose projects exceed the plan’s requirements.

5. Without prejudice to point 4, Just Space groups consider that the social and other “affordable” housing requirements should be clearly stated as non-negotiable. The Mayor’s (fine) ambition to bring land prices down can only be achieved if developers are convinced that affordable housing requirements cannot be

negotiated away against other planning considerations. If this cannot legally be achieved in the SPG it should be foundational in the draft Plan.

6. All developments taking place on **public land** should be required to deliver 100% “affordable” housing and developments by housing associations (RPs) should be required to meet at least the 50% “affordable” requirement.

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