

# Meeting Housing Needs

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SUPPORTING PAPER

Strategic Policy

LONDON BOROUGH OF HACKNEY | OCTOBER 2017





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# Introduction

Each policy in Local Plan 2033 is supported by text which explains the Council's chosen policy position and also provides additional information necessary to understand how the policy will be implemented. Where it has been considered necessary to do so, the supporting papers provide additional justification and explanation for some of the planning policies included in Local Plan 2033, drawing on various studies and evidence the Council used when drafting the policies. This supporting paper provides further justification behind the following policies contained in the chapter "Meeting Housing Needs" of Local Plan 2033:

- Policy 10: Preventing the loss of housing
- Policy 11: Affordable housing
- Policy 12: Dwelling size mix
- Policy 13: Build to rent
- Policy 14: Visitor accommodation
- Policy 15: Self/custom-build housing
- Policy 17: Housing older and vulnerable people
- Policy 18: Residential conversions
- Policy 19: Student Housing
- Policy 20: Shared Housing

## Meeting Housing Needs

Hackney needs a significant number of new homes to meet housing need over the plan period. A further challenge in meeting housing need is the rising house prices with Hackney having the seventh highest house prices of any local authority in the country, driven in part by the shortage of supply in the Borough and across London. This change in house prices has been rapid with a 72% increase between 2011 and 2016. The size of the Private Rented Sector (PRS) has also increased significantly, now comprising approximately a third of all Hackney households. Private rents have also increased 27% since 2011. These issues have meant that many of Hackney's residents have been priced out of the market creating a growing polarisation between those on low incomes, mostly living in social rented housing, and high earners who can afford to buy property on the open market. There is now a growing housing gap for moderate earners who cannot afford to buy their homes in the open market. This presents a challenge to the creation of sustainable, cohesive communities in the Borough. In order to tackle these issues the Council must plan and address the Borough's requirements for a range of high quality, well designed housing to suit all income groups and meet the needs of a changing and diversity community.

The London Plan (2015), informed by a London-wide Strategic Housing Land Availability Assessment (SHLAA), places a minimum target of 1,599 dwellings per annum to be delivered between 2015 and 2025 (annual target rolled forward to 2033). This figure is based on assessing capacity/land availability to deliver housing in the Borough. The assessment seeks to capture all deliverable housing land in the Borough as well as identify an amount of housing that could be delivered on small sites throughout the Borough. The SHLAA therefore represents the maximum capacity in the Borough at the time of the assessment however new sites for development may become available in the future. A new London-wide SHLAA is

currently being carried out and it is expected that land capacity assessments will result in a similar target. In 2015 a Strategic Housing Market Assessment (SHMA) was also completed for Hackney which indicated an objectively assessed need (OAN) of 1,758 new dwellings per annum between 2011 and 2035 across all types, tenures and sizes of housing. The SHMA further informs housing requirements by highlighting the quantum of need for different types of housing including market housing, affordable housing and supported housing.

Over the plan period, the OAN for the Borough equates to a need for 26,370 additional homes (1758 x 15 years) whilst the current London Plan sets a target of 23,985 (1599 x 15 years) based on land capacity. New homes already in the planning system and allocated in development plan documents equate to approximately 16,345 as at 2016. The OAN over the 15 year plan period from 2018 to 2033 is 26,370 and so there is a need to plan for approximately an additional 10,000 new homes, accounting also for any under-delivery before the start of the plan period, insofar as there is a sustainable capacity to do so, to meet the OAN for the period.

## Policy 11: Affordable housing

The NPPF defines affordable housing as *“social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision”*. The definition is further defined in a way more relevant to London in policy 3.10 (Definition of Affordable Housing) in the London Plan (2016).

Within this overarching definition:

- **Social rented housing** should meet the criteria outlined in policy 3.10 and be owned by local authorities or private registered providers, for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Mayor of London.
- **Affordable rented housing** should meet the criteria outlined in policy 3.10 and be let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). In practice, the rent required will vary for each scheme with levels set by agreement between developers, providers and the Mayor of London through his housing investment function. In respect of individual schemes not funded by the Mayor, the London boroughs will take the lead in conjunction with relevant stakeholders, including the Mayor as appropriate, but in all cases particular regard should be had to the availability of resources, the need to maximise provision and the principles set out in policies 3.11 and 3.12 of the London Plan.
- **Intermediate** housing should meet the criteria outlined in Policy 3.10 and be homes available for sale or rent at a cost above social rent, but below market levels. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rent. Households whose annual income

is below £90,000 should be eligible for new intermediate homes. These figures are updated annually in the London Plan Annual Monitoring Report.

The London Plan identifies the need to take account of London’s distinct housing needs and take account of government guidance to “identify the scale and mix of housing that the local population is likely to need over the plan period which addresses the need for all types of housing, including affordable housing”. It recognises significantly higher house prices in London compared to the rest of the country and this is also evidenced in Hackney’s SHMA which demonstrates affordable rented housing is not actually affordable to most people in Hackney. Due to the unique nature of London’s housing market compared to the rest of the country, variations/new affordable housing products to the above types of affordable housing have been introduced by the Mayor of London to reflect the significant differences in house prices and affordability in London.

### Genuinely affordable housing

“Genuinely affordable” is a term introduced by the Mayor of London in the Affordable Homes Programme 2016-2021. Genuinely affordability is defined through new affordable housing products introduced by the Mayor of London: London Living Rent; London Affordable Rent; London Shared Ownership. These are further defined in the [Affordable Homes Programme Funding Guidance](#). Outside of these products there is no specific definition of what is “genuinely affordable” however as a general rule affordability should be considered in relation to ward-level incomes and the ability of local residents to afford renting or buying at an appropriate proportion of total household income, usually with rental/mortgage costs of no more than 1/3 of total household income.

### Housing Needs

Between 2011 and 2035 the SHMA determines the following requirements for different types of housing based on affordability (based on London Plan capacity size rather than OAN):

Table 1: SHMA 2015 Borough housing requirements – 2011 to 2035.

Housing Type	Percentage of total dwelling requirement
Market housing	25.8%*
Intermediate affordable housing	6.5%
Social rented housing <sup>1</sup>	67.7%

\*a proportion of this dwelling requirement is considered to be aspirational demand rather than need and will fall in the intermediate housing requirements.

The above dwelling requirements factor in Central Trend Household Projections, the needs of concealed, sharing and homeless households, the impact of vacant and second homes, and

<sup>1</sup> Social rented housing includes housing benefit supported private accommodation.

additional circumstances which may impact tenure and size mix projections. The results are also remodelled to take into account the actual capacity to deliver homes, as identified by the London Plan housing targets, which is less than the OAN. An overwhelming need for social rented housing is identified however the need for intermediate affordable housing is somewhat understated in the SHMA and needs to be considered alongside other evidence including the Council's housing waiting list; discussions with Registered Providers; the London-wide SHMA and the need to meet the needs of the wider London housing needs.

### **Affordability Issues in Hackney**

Benefit reforms significantly affect existing household renting within Hackney in both the private and public housing sectors. The combination of the Benefit 'Cap', changes regarding under-occupation and changes in Local Housing Allowance (LHA) are likely to mean adjustment in the rental sectors with significant impacts on housing affordability for many of Hackney's residents.

### **Affordable Housing Target (schemes of 10 residential units or more)**

Given the evidence of the scale of housing need in the borough, the Council must ensure that the affordable housing secured as part of new residential development across the Borough is matched with local housing accommodation needs and the specific requirements of particular groups and communities. In setting the Borough's affordable housing targets, the Council has taken into account both regional and local assessments of need (2013 London SHMA and 2015 Hackney SHMA), the London Plan's (2016) Strategic Housing target, middle super output area (MSOA) level house prices and up to date affordable housing viability studies. The significant rise in house prices in Hackney in recent years has meant there is a more pressing need to deliver 'genuinely affordable' homes which are affordable to Hackney residents. The type of affordable housing products the Council prefers is covered later in the support text.

Hackney aims to deliver a minimum of 800 'genuinely affordable' dwellings each year over the London Plan period (2015-2025), the equivalent of 50% of the Council's overall London Plan annual housing target. Where the overall housing target is exceeded, the Council aims for 50% of all homes delivered to be affordable. The Council acknowledges that achieving this target will be subject to the site characteristics, location and overall scheme viability of individual schemes. The Council will require 50% of all units in schemes of 11 or more units to be 'affordable'.

### **Small Site Contributions (schemes of less than 10 residential units)**

The NPPF states that local plans should set policies to meet identified need for affordable housing on a site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified. The London Plan states that "Affordable housing provision is normally required on-site. In exceptional circumstances it may be provided off-site or through a cash in lieu contribution ring fenced, and if appropriate 'pooled', to secure efficient delivery of new affordable housing on identified sites elsewhere." The Council firmly believes there is strong justification for seeking off-site monetary contributions to go towards affordable housing from certain schemes.

Data on the Borough's delivery record and planning history shows that in most cases affordable housing provision as a percentage of overall housing delivery has been closer to 30% than the 50% target and has been declining in recent years. Evidence also shows that approximately 47% of new housing delivered in Hackney in recent years has been on small sites (sites delivering less than 10 units). The Council has therefore been unable to capture contributions towards affordable housing provision from a number of schemes in past. The Council has commissioned a viability assessment to determine the appropriate level of monetary contributions which could be sought from small site developments to go towards off-site development/refurbishment of affordable housing by the Council. This will be published when ready and a revised affordable housing policy which includes provision for seeking monetary contributions from small site housing developments will be included at the next stage of the Local Plan 2033 publication. At present it is envisaged that contributions sought will increase as the number of units' increases, up to 10 units, subject to viability, after which the Council's requirement for 40% on-site affordable housing provision will apply.

### **Affordable Housing Products**

Recent changes at a national and regional level have seen the introduction of new affordable housing products that fall within the affordable housing definition. These include Starter Homes and Affordable Private Rent introduced at a national level and London Living Rent, London Affordable Rent and London Shared Ownership at a regional/local level. Alongside these sit existing products such as shared equity/shared ownership housing and Affordable Rent which is renting at no more than 80% of market rent levels.

The Council seeks to deliver the number of social and intermediate homes needed however it is recognised that of the wide range of affordable housing products some are likely to be more affordable for Hackney residents than others. Recent data suggests that when comparing house prices to wages, Hackney is ranked as one of the least affordable for residents with the average house price just over 17 times that of the average wage. Average rents in the Borough are also above the London average. Worsening affordability due to house price increases and low wage growth has put market housing out of reach for many residents across London, particularly in Hackney. Affordable Rent, which sets rent levels at up to 80% of market value and comes under the definition of social housing has become unaffordable for many of Hackney's residents. This is evidenced in Hackney's SHMA and is an issue experienced in other parts of London. In response to this, the Mayor of London has introduced new genuinely affordable housing products linked to the Affordable Homes Programme 2016-2021. London Living Rent, an intermediate affordable housing product, which links rent levels to average incomes and house prices, is considered to be more affordable. London Affordable Rent, a form of social housing and London Shared Ownership are other products supported by the Mayor of London which are considered to be more affordable in London.

There are differences in affordability in different areas within Hackney too. Table 2 and Map 1 compare market house prices to median household incomes by middle super-output areas (MSOAs) and highlights affordability in different areas of the Borough. The approach in this Local Plan is to focus more on ensuring the affordable housing delivered is genuinely affordable. Depending on the type of affordable housing product on offer, affordable housing

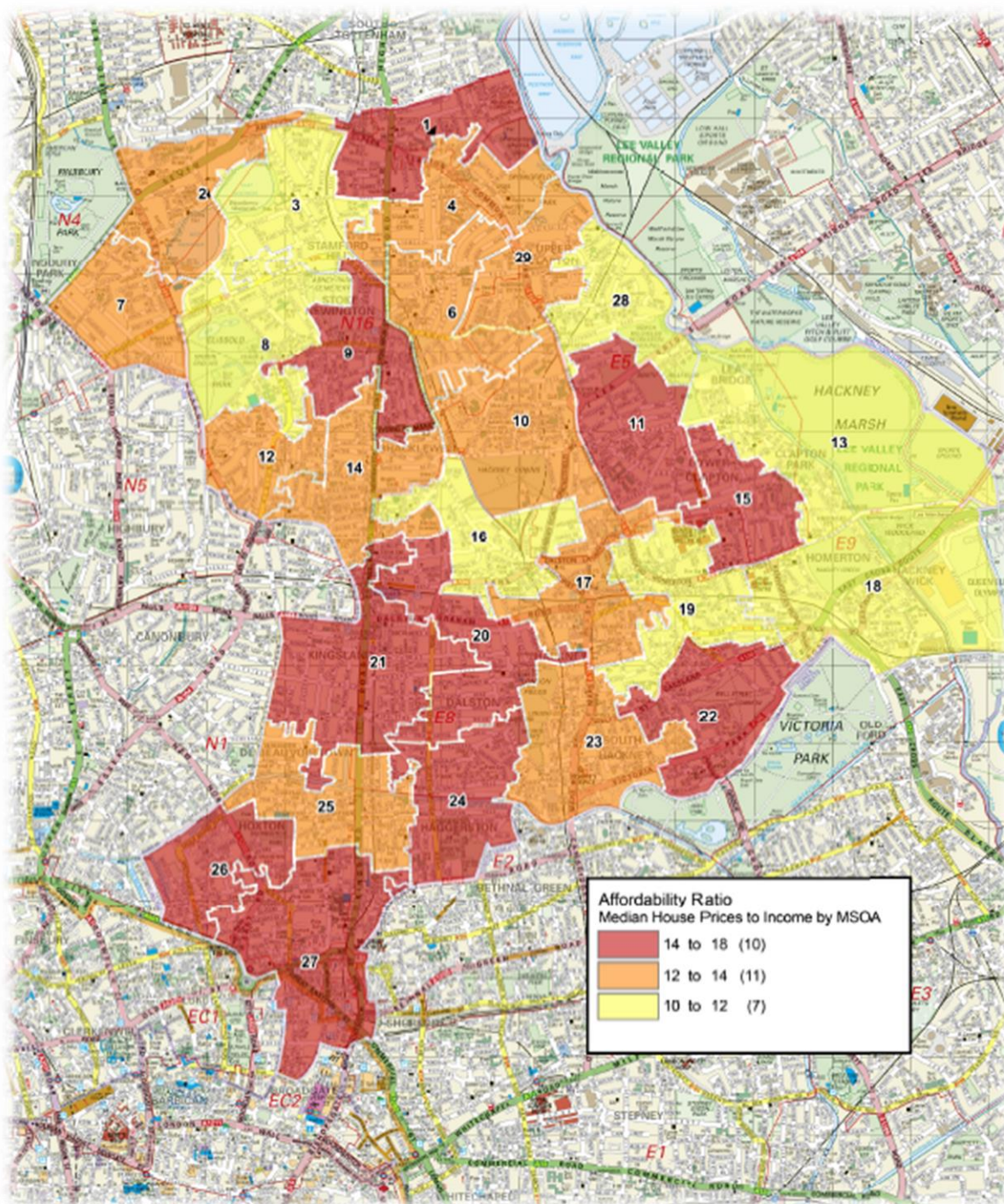


can reduce pressure on social housing, help Londoners get a first step on the housing ladder and provide a way to deliver affordable housing in partnership with the private sector at a time when public resources are scarce. However, an affordable housing product that is not 'genuinely affordable' for Hackney residents will not achieve these intended outcomes.

The approach in this Local Plan is therefore to require applicants to demonstrate affordable housing delivered is genuinely affordable.

Middle Super Output Area (MSOA)	GLA Median House Price £ (2015)	GLA Median Household income estimates (2012/13)	Affordability: Ratio of median house prices to median household incomes
Hackney 027	£682,500	£38,850	17.6
Hackney 009	£807,500	£48,040	16.8
Hackney 026	£567,500	£34,510	16.4
Hackney 011	£615,000	£39,150	15.7
Hackney 021	£598,300	£40,120	14.9
Hackney 022	£553,050	£37,110	14.9
Hackney 001	£565,000	£38,780	14.6
Hackney 020	£602,000	£41,480	14.5
Hackney 024	£475,000	£32,740	14.5
Hackney 015	£550,000	£38,300	14.4
Hackney 014	£530,000	£38,760	13.7
Hackney 029	£450,000	£32,940	13.7
Hackney 017	£475,000	£36,090	13.2
Hackney 002	£397,000	£30,220	13.1
Hackney 012	£620,000	£47,230	13.1
Hackney 025	£461,000	£35,130	13.1
Hackney 023	£525,000	£40,600	12.9
Hackney 007	£540,000	£42,970	12.6
Hackney 010	£428,000	£34,140	12.5
Hackney 004	£421,100	£34,750	12.1
Hackney 006	£495,000	£41,360	12.0
Hackney 019	£346,000	£29,360	11.8
Hackney 018	£366,000	£32,840	11.1
Hackney 003	£425,000	£38,630	11.0
Hackney 008	£450,000	£41,470	10.9
Hackney 016	£350,000	£32,960	10.6
Hackney 028	£325,500	£32,280	10.1
Hackney 013	£280,000	£27,970	10.0

Table 2: Hackney house price to household income comparison



Map 1: Housing affordability by MSOA: Median income as a proportion of median house prices

### Provision on-site

The Council will require provision of affordable housing on-site where 10 or more dwellings are proposed. Below this 10 unit threshold the Council will seek payments in lieu of affordable housing provision which will be invested in Council housing projects. The proper use of these funds is yet to be finalised.

## Funding

As part of the Affordable Homes Programme 2016-2021, the Mayor of London has secured £3.15bn to start building at least 90,000 genuinely affordable homes across London. The programme is primarily funding the following affordable housing products:

- London Living Rent
- London Affordable Rent
- London Shared Ownership

Other products will also be considered where it can be proven that they are genuinely affordable to Londoners.

Information about the Affordable Homes Programme can be found here: <https://www.london.gov.uk/sites/default/files/homesforlondoners-affordablehomesprogrammefundingguidance.pdf>

This should be read alongside the Mayor's Affordable Housing and Viability SPG.

## Policy 12: Dwelling Size Mix

The Council is committed to ensuring that housing in the Borough meets residents' needs. There is a diverse population in Hackney, with an equally diverse range of housing needs and requirements; this means ensuring that a good selection of housing types and tenures are built. A mix of dwelling types in an area can also contribute to maintaining and creating mixed and inclusive communities.

It is essential to maintain an adequate stock of housing suitable for occupation as family dwellings, which will help in addressing demand for such accommodation in the Borough. Of particular demand is family housing for the social rented sector – Hackney still has one of the highest proportions of social housing in the country (44% social rented in 2011 Census). Many new developments at present are not delivering enough family housing to meet the identified needs, and also conversions have resulted in a loss of family homes. The extension of the Right to Buy scheme means social rented homes are also likely to be bought out, and though the Council will seek to replace these in the long-term, it hinders the Council's ability to increase the overall number of social rented homes in the Borough.

The 2015 SHMA indicates that across all tenures there is a particularly high need for 3 bedroom (family) housing. The greatest identified need, as a proportion of a total need, is for 1, 2 and 3 bedroom social rented housing. In the market housing sector the highest need is for 3 bedroom family housing and there is also a need for more 2 bedroom dwelling than 1 bedroom. Overall there is a greater need for 1 bedroom dwellings than 2 bedroom dwellings, however the Council's preference is for there to be a higher proportion of 2 bedrooms than 1 bedroom dwellings, as they offer greater flexibility of accommodation with the potential to accommodate families. The Hackney SHMA indicates an overwhelming need for social housing but a significantly lesser need for intermediate housing. The needs of certain occupiers are often met in market housing with aid of benefit support. As housing benefits are limited, future need for intermediate housing will be greater than needs assessments suggest. This is reflected



in the priority housing needs table reflected in the policy. The Council will seek to deliver dwellings which meet the size requirements but are also genuinely affordable, and so this policy should be read in conjunction with policy 11 which seeks to deliver affordable housing products which are genuinely affordable to Hackney residents rather than focusing on the social/intermediate split of affordable housing.

The Council recognises that there is a need for all types of dwellings sizes and tenures however priorities are set based on what the SHMA states is the highest quantum of each of type of housing required to meet housing needs in the Borough.

The above preferred dwelling mix will be subject to periodic amendments based on up-to-date Council assessments of needs across the Borough. Any amendments to this preferred mix will be published on the Council's website or contained within supplementary planning guidance, as appropriate.

The ability to deliver this mix may vary dependent on site location and characteristics, and scheme viability and this will be assessed by the Council for each scheme. Proposals containing family housing (in this case units with 3 bedrooms or more) in excess of the above guidelines will be supported. There will be greater flexibility on the requirement for family units for proposals for retirement, sheltered or extra care housing. Justification for the dwelling size mix proposed in development schemes is required, if differing from the preferred mix.

## Policy 14: Self/Custom-Build Housing

The Self-Build and Custom Housebuilding Act 2015 and Self-Build and Custom Housebuilding (Register) Regulation 2016 require the Council to keep a register of individuals and associations of individuals who are interested in self-build and custom housebuilding and are seeking to acquire serviced plots of land within the Council. The Act also places a duty on councils and other public bodies to have regard to the self-build and custom housebuilding register when carrying out their planning, housing, land disposal and regeneration functions. The Government wants to enable more people to build or commission their own home. The register will provide an indication of demand for self/custom build housing in the Borough. The 2015 SHMA suggests a low level of demand given high land costs in the Borough however the number of individuals in the register will ultimately inform demand.

Self/custom build developments in many circumstances would result in an underuse of land as they are likely to be low density. Also, given the high value of land and limited number of small sites suitable for self/custom build homes, meeting demand will be challenging as individuals are unlikely to be able to compete with large developers for land. Therefore, where appropriate, the Council will seek large developments to make provision for serviced plots of land for self/custom build housing.

# Policy 16: Housing Older and Vulnerable People

## Older People

The NPPF defines older people as “people over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs”.

There are a number of different types of specialist accommodation for older people. These include:

- Sheltered accommodation: self-contained residential accommodation specifically designed and managed for older people in need of no or a low level of support. Each household has self-contained accommodation and the schemes normally includes additional communal facilities such as a residents lounge. A warden, scheme manager, community alarm/telecare or house manager interacts with residents on a regular basis and is the first point of contact in an emergency.
- Extra care accommodation (sometimes also referred to as close care, assisted living, very sheltered or continuing care housing): self-contained residential accommodation and associated facilities designed and managed to meet the needs and aspirations of people who by reason of age or vulnerability have an existing or foreseeable physical, sensory, cognitive or mental health impairment. Each household has self-contained accommodation and 24 hour access to emergency support. In addition extra care accommodation includes a range of other facilities such as a residents lounge, a guest room, laundry room, day centre activities, a restaurant or some kind of meal provision, fitness facilities and classes and a base for health care workers. The exact mix of facilities will vary on a site by site basis. Some domiciliary care is provided as part of the accommodation package, according to the level of need of each resident. Extra care housing aims to create a balanced community, bringing together a balanced proportion of people with different levels of care needs.
- Residential/nursing care (including end of life/hospice care and dementia care): Nursing or residential care home providing non-self-contained residential accommodation for people who by reason of age or illness have physical, sensory or mental impairment, including high levels of dementia. Accommodation is not self-contained; meals and personal services are routinely provided to all residents. Communal facilities are likely to include a dining room and residents lounge. There will be a scheme manager and in house care team who provide a consistent presence. Personal or nursing care is a critical part of the accommodation package. Nursing homes include 24 hour medical care from a qualified nurse.

Population forecasts suggest that there will be significant rise in the population of older people in Hackney, and London more generally. During the plan period there will be a significant rise in the population of over 65's and an even larger rise in the over 85's. The Council would like to be able to support older people to live independently in their own homes for as long as possible and will therefore seek to ensure in the first instance that new homes are designed to be accessible to people with mobility difficulties. Whilst this is preferable there will still be an increasing need to house elderly people in specialist accommodation over the plan period. Hackney's SHMA estimates a significant need for additional units of specialist accommodation for older people of different types up to 2025. The GLA SHMA indicates that up to 2025 there will be a need to provide 3,600-4,200 additional specialist units per annum across London. To meet this need the London Plan allocates an indicative annual strategic benchmark for London Borough's to inform local targets over this period. For Hackney the benchmark is to deliver 55 specialist units for older people per annum with a tenure split of 25 units for private sale, 10 for intermediate sale and 20 for affordable rent. This would equate to 825 additional specialist units over the plan period if the target is rolled forward.

The physical layout of buildings and location of new development of specialist accommodation is key to ensuring the needs of older people are met. New developments for specialist housing for older people will therefore be required to be located in highly accessible areas with access to local conveniences and designed to be considerate of older people's needs.

#### Vulnerable People

As well as older people with support needs there are a number of other people in the Borough that are considered to be vulnerable and in need of some form of specialist or conventional housing. The Hackney SHMA estimates likely future needs for vulnerable people up to 2021 and includes people suffering from mental health problems, rough sleepers, people with learning disabilities and those with issues regarding alcohol misuse among others as those considered to be vulnerable. The Council already works to help vulnerable people through health and social care professionals, and not all vulnerable people will require additional accommodation however the Council will support proposals to accommodate needs where they arise.

## Policy 17: Residential Conversions

The increase in the number of smaller households, combined with rising house prices, has increased the demand for smaller dwellings in the Borough, particularly from single people and young couples on modest incomes. One way the supply of smaller dwellings has come about has been through the conversion of larger homes to flats.

Although the contribution made by conversions of larger houses to smaller dwellings is useful in providing a lower cost accommodation, conversions to flats can result in the loss of family housing, and inflate the price of remaining larger homes. As set out in the above policy, there is a pressing need for family homes (3 bedrooms or more).

Thus, the following policy sets out the criteria where the conversion from houses to flats will be possible – essentially the aim of the policy is to protect smaller family houses from conversion, and ensure that the conversion of larger houses provide at least one 3 bedroom dwelling with access to private amenity space. As such, setting a threshold of 120sq.m for the conversion of houses enables the retention of homes or households with children, while permitting houses with greater floorspace to be converted to provide a range of dwelling sizes.

New development should meet London Plan Policy 3.5 and the GLA's Housing SPG 2016 standards in relation to unit and room sizes. For this reason, the subdivision of houses smaller than 120 sq.m would not meet the requirements of this policy. Conversion of a 120sq.m dwelling would allow for the provision of 1x 3 bedroom family flat (3b4p with a minimum of 74sq.m floorspace) and a 1 x 1 bedroom flat (with a floorspace range of 37-50sq.m). There is an acute need to maintain accommodation for larger households (five or more persons) wherever possible. Therefore, in more substantial properties with 180sq.m of floorspace, provision should be made for larger families, i.e. for family sizes of 5 or more. The larger the dwelling, the wider the range and size of households that can be satisfactorily accommodated.

The Council recognises that a different dwelling mix may be required to enable development or as part of the refurbishment of a recognised heritage asset building in order to retain distinctive townscape character, and the historic layout of a property. As such, flexibility will be applied in such instances. Conversions of basements should be carried out in line with guidance in the Council's Residential Alterations and Extensions SPD and the flooding policy contained within the Climate Change and Environmental Sustainability chapter of this document.

## Policy 18: Student Housing

Hackney does not have a university within its boundary however the neighbouring boroughs of Newham, Islington, Tower Hamlets and Camden contain several well-known London universities which are still easily accessible from the Borough. Student numbers have been increasing in recent years with the highest ever admission of places recorded in 2015. Whilst the Council acknowledges that inadequate local provision would result in students having to travel long distances to attend university, putting pressure on the public transport infrastructure, and that students contribute socially and economically to an area, it nonetheless recognises that the development of new-build student housing must not be to the detriment of other key uses such as general housing delivery, other housing for which there is a demonstrable need or designated employment land or lead to an over-concentration of similar uses which may be detrimental to residential amenities or the balance of land uses, affecting the character and function of an area. Proposals for student accommodation will therefore only be approved where a demonstrable need exists and where accommodation is secured for occupation by members of a specified higher education institution.

The Council has approved a significant number of student bed spaces in the last decade, the majority of which have been approved in Priority Employment Areas. Although having become more mixed use in nature, Shoreditch is predominately a commercial area, including and adjacent to the City Fringe and the Central Activities Zone, and containing large areas of

designated employment land (Priority Employment Areas). As such any further consents for large student housing developments, particularly within PEAs, are likely to affect the character and function of the area. In addition to pressure on other important land uses, such developments can have adverse impacts on amenity, such as through noise levels and additional vehicular traffic particularly at the start and end of terms, and increased pressure on local services, including demand for evening economy uses (which the Council seeks to manage in Shoreditch for example). In considering a proposal for student accommodation the Council will take into account the likely impact on the amenities of surrounding locality, and the cumulative impact on the locality and community where a number of such uses already exist, to ensure an appropriate balance of land uses in an area, and to avoid detrimental effects on amenity. Applicants should submit details of how student housing developments will be managed to minimise impacts on amenity.

## Policy 19: Shared Housing

A HMO is defined as a small shared house occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom. This type of use is classed as C4 in the Use Classes Order. Permitted development rights allow a change of use from C4 to C3 (residential) and vice versa. Larger houses in multiple occupation, or larger shared housing is classed as Sui Generis. This can include HMOs with more than 6 non-self contained units as well as new types of shared accommodation which are similar to student accommodation, but available to a broader range of potential occupiers. Occupiers of shared accommodation would rent a room or bedsit and be classed as a single household.

The London Plan recognises the importance of shared accommodation and houses in multiple occupation (HMOs) as a strategically important part of London's housing offer, meeting distinct needs and reducing pressure on other elements of the housing stock. It can help house those that cannot afford market housing and are also not eligible for social housing. They provide flexible and relatively affordable accommodation through the private market. The Mayor's Housing SPG states that they play an important role in supporting labour market flexibility and in reducing pressure on publicly provided affordable housing. Quality of accommodation is a key concern however and new proposals for shared accommodation should adhere to certain standards xxx (insert ref to standards here). Existing shared accommodation which does not meet standards will be allowed to be lost to C3.

HMOs make an important contribution to the private rented sector by providing housing for specific groups/households. Comparisons between the 2001 and 2011 Census shows an 84% growth in the number of households in HMO's in the Borough. This compares to a London average of a 32% growth and highlights the importance of this type of accommodation in Hackney. A key reason behind this may be its affordability. The London Rents Map (2017) shows that the median rents in Hackney for a 1 bed property and a studio are £325 per week and £243 per week respectively. This compares to £150 per week for a room. Renting a room in shared accommodation is on average approximately 64% cheaper than renting a 1-bed self-contained property (this will vary in different parts of the Borough). The key benefit of shared



accommodation is in its affordability and proposals which are not considered to be affordable to low-income occupiers will be refused/be required to contribute towards affordable housing. Shared accommodation proposed will also be subject to a planning agreement to ensure rents for rooms remain affordable for low-income occupiers in the long-term.

Provided shared accommodation is of a high quality it can help to significantly reduce pressure on other types of housing. The Council has published space standards and other conditions which are required to be met before a HMO license can be granted to help ensure quality of accommodation provided. Other types of shared accommodation such as those intended for a larger number of occupiers modelled on student accommodation will be required to demonstrate rooms and communal facilities provided will be of a high standard and amenity space provided is of a high quality and is enough to meet the needs of occupiers.

Existing HMOs and other forms of shared accommodation will be protected and their loss resisted provided they are of a good quality and offer affordable rents to occupiers.

Whilst it is recognised that shared accommodation is an increasingly valuable form of accommodation in the Borough, C3 residential is still the priority land use in the Borough and type of accommodation for which there is the greatest need. Proposals for HMOs which involve the loss of more than one self-contained unit will be refused to ensure delivery of HMOs is not to the detriment of meeting the Borough's priority housing need. Shared accommodation development will also be resisted on sites allocated for residential development and sites already with planning permission for residential development.

## Policy 21: Preventing the loss of housing

The Council seeks to increase overall housing stock in the Borough and therefore in conjunction with supporting the provision of new dwellings, the Council will resist the loss of existing residential uses. There may however be circumstances where a loss of housing may be acceptable. For example, redevelopment of sub-standard housing to provide higher quality housing but with a net loss of units could be acceptable. The Council will normally resist the redevelopment, amalgamation, and demolition of housing where this would result in a net loss of dwellings or floorspace, unless the housing is replaced with better quality accommodation and a better mix that meets Hackney's housing needs and in most circumstances with at least equivalent floorspace.

Additionally, there may be locations where a current residential use is incompatible with the surrounding area, for example due to noise or access issues. Some loss of residential use might also be acceptable in locations close to industrial areas where the quality of the residential environment would be compromised. The particular circumstances of listed buildings and disused accommodation over shops may also merit changes of use from housing to ensure improvement and reuse of dilapidated buildings. In other circumstances, and subject to compliance with all applicable policies, the loss of a residential unit to enable the provision of a community facility such as a school or health facility may constitute an acceptable change of use, if suitable alternative sites are not available, the community facility can only be provided by use of a residential building, and there is demonstrable demand for the non-residential use. The latter will be subject to the proposal not resulting in an over-concentration of similar uses

in the immediate area as to cause negative cumulative impacts on the character and function of the area including local amenity and transportation. Some proposals for changes of residential uses to supported housing may also be acceptable.

The need for any change of use resulting in the loss of housing must be fully justified to the Council's satisfaction, through supporting information.

Where the loss of affordable housing is proposed on a particular site which is a part of a wider redevelopment programme, such as the Council's Estate Regeneration Programme, like-for-like replacement affordable housing can be re-provided across the whole programme rather than at each particular site.

## Policy 22: Visitor Accommodation

Visitor accommodation includes hotels, bed and breakfast premises, youth hostels, backpacker accommodation, aparthotels, serviced apartments and some other forms of short-stay accommodation. Hackney has demand for hotels from both 'leisure' travellers and 'business' travellers. In recent years Hackney has approved a number of visitor accommodation schemes, particularly in the south of the Borough in the City Fringe, but also in town centre locations.

A London wide assessment of the demand for and supply of visitor accommodation was prepared by the GLA in 2013. The work by GLA Economics highlights that the lack of regularly collected and consistent data on visitor accommodation (both supply and demand) in London makes estimating future needs difficult. Recognising the uncertainties in providing forecasts the GLA work provided some scenario based sensitivity testing and this resulted in high, central and low growth trends to help forecast needs for visitor accommodation. Furthermore, given the number of factors that come into play at borough level over the long term - such as changes to transport links with other parts of London, or regeneration initiatives, or site availability in terms of competition from other land uses such as housing and offices – forecasting at borough level can be more difficult.

The GLA's high, central and low growth trend forecasting of needs at borough level give rise to requirements of 2,386, 1,600 and 1,193 rooms respectively between 2015 and 2036. As at June 2016, Hackney had a total potential hotel room supply of 1,446 rooms based on schemes either under construction or with live planning permission. Against the GLA central trend demand forecasting, Hackney only needs a further 154 visitor accommodation rooms to meet projected demand.

Demand at a London-wide level will be influenced by a number of factors – such as the impact of Brexit, the political situation, financial markets – and so knowing which GLA forecasting trend to use up to 2036 is difficult. The Council considers it is suitable to work towards meeting demand identified in the GLA's central demand scenario and regularly review changes in London's tourism industry to inform further growth of visitor accommodation in Hackney. The Council will therefore have a policy position to approve proposals for new visitor accommodation in accordance with needs which will be reviewed regularly through various evidence sources.

While hotels can both support their visitor economy and aid in job creation, given that hotel demand in the Borough is virtually met at present, proposed hotel development in certain locations will be resisted, unless the need for it can be suitably demonstrated to the Council's satisfaction, as it can take up limited land capacity which could be used to meet other planning objectives such as employment intensification in PEAs and housing across the Borough.

The London Plan identifies the CAZ as an appropriate location for visitor accommodation/hotel uses and town centres outside the CAZ where there is good public transport. The NPPF also confirms hotels are a main town centre use. However, in the south of Borough, where the CAZ is, hotel development would be at the expense of B class employment uses which would provide jobs at higher densities than hotel uses. Where proposals for large hotels come forward the Council will seek the scheme to be mixed-use with a majority B1 class office use.

#### Wider impact of proposals

Hotels can also lead to concerns relating to amenity, such as late-night disturbance, the impact of vehicular movements on highway safety, and also the balance of uses in an area, particularly if there is an over-concentration of hotels.

Hotels can assist in providing local facilities, such as leisure facilities where there may be a shortage, for Borough residents and workers, and as such the policy is seeking to require ancillary facilities to be available for public use, unless there are valid and appropriate reasons that such facilities should not be accessible to the public.

#### Employment

Hotels are a good source of entry-level employment. As such, the Visitor Accommodation policy incorporates a clause that the Council will seek through legal agreement the creation of employment positions for Hackney residents during the construction phase and the operation of hotels. The number of employment positions will be subject to consideration of the overall number of employees that the hotel will generate, and through negotiation with applicants. Further detail on this is contained in the Council's Planning Contributions SPD (July 2015).

#### Short-term Lettings

A short-term let (STL) is the occupation of a property by the same person(s) for less than 90 consecutive days. STL's are usually associated with the visitor economy.

Various evidence suggests that STL's can lead to significant adverse impacts on the amenity of neighbours and the local economy. Given the high rates STL's can command, it is possible to let properties for a shorter period of time than a residential let in a calendar year and still achieve similar or better returns. This has resulted in the increased popularity of STL's amongst home owners and in the visitor economy. This means fewer permanent properties are available on the market for longer-term renters, and so average rental costs become inflated. This can result in long-term renters being priced out of their neighbourhood also as property owners see better profit margins from STL's.

Increased use of STL's can also result in a high turnover of people in areas where use of STL's is high, which can potentially have adverse amenity impacts depending on what the property

is used for. This also leads to an increase in the number of people living in an area who may not have a stake in the community and therefore reduces the sense of community and raises the fear of crime.

The Deregulation Act 2015 amended legislation and the short-term letting of a residential house or flat is now permitted, subject to certain conditions:

- The total number of nights that a property is used for short term letting in a calendar year must not exceed 90 nights;
- At least one of the persons providing accommodation for short term letting is liable to pay Council Tax at the property where the accommodation is provided.

If these two conditions are not met, planning permission will be required to convert a flat or house into a short-term/holiday let. Permission would usually be required for the number of nights that exceeds 90. Letting a property on longer leases over 90 days is not considered to be a STL and is considered to be for residential use rather than as part of the visitor economy. Permission is not required to let properties on leases over 90 nights in length.

Proposals which would lead to adverse amenity impacts on neighbours and the local area (see Policy 2 – development and amenity) and lead to the loss of permanent housing will be refused.