

CORE STRATEGY REVIEW: DIVERSITY OF HOUSING RESPONSE FROM THE KENSINGTON SOCIETY

The main challenges facing the Council with regard to its planning policy for housing are that:

- **it is not creating or maintaining mixed and balanced communities**, indeed it is moving in the opposite direction – an increase in large, high-value units largely sold to an international market, a significant proportion of which are non-primary residences which are empty for much of the year, whilst low-income households are being squeezed out through market pressures and changes in Government policy on benefits;
- **the market is over-performing in mainly providing large units** through both new-build or conversion which are not meeting the needs of Borough residents or even Londoners for a primary residence;
- **the justification for the target of 80% of the market housing being for larger units was to enable local families to move to rather than move out of the Borough** - few, if indeed any, of the completed units have been taken up by family households from within the Borough;
- **indeed very few of the market housing completions in the last 5 years have met the needs of residents**;
- **is producing very few affordable housing units, mostly off-site**;
- **is substantial undercounting the scale of losses of housing units/ household spaces through deconversion** of houses previously containing flats or HMOs, by not recording/declaring the losses whether through applications for development which involve a reduction in the number of units through demolitions, deconversion or amalgamation of units or through requests for confirmation that planning consent is not required; and
- **it totally fails to deal with the need for student housing** – the Borough is happy to claim New Homes Bonus for each student unit in the hostel in Kensal Road, but has not counted the losses where student housing/ hostels have been converted or redeveloped for a much smaller number of market housing units.

The NPPF requires that:

- Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:
- any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole. (Para 14)

Planning should:

- proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other

development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities

With regard to housing the NPPF (para 47) says:

47. To boost significantly the supply of housing, local planning authorities should:
- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing **in** the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;

Key issues:

Does the objectively-assessed needs for market housing **in** the housing market area include the demand for non-primary residences from **outside** the housing market area?

If it does, what weight should be given to this open-ended “demand” compared with the very real needs and demand from within the housing market area?

If the aim of the current policy is to meet the needs and demand of households within the Borough to move within the Borough to find larger units for family housing (see SHMAA), has the current policy succeeded in:

- providing primary residences for residents of this Borough?
- housing any local families needing larger housing?

The Society considers that the current policy has totally failed to provide families resident within the Borough with larger units and the vast majority of “larger units” (ie with three or more bedrooms) have become non-primary residences.

If the plan should be providing for the objectively-assessed needs for market and affordable housing in this housing market area, the policy needs to be substantially redesigned to meet that objective. This will mean:

- defining the size mix in terms of the size of units in square metres, limiting the proportion of new units over 150sqm
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Detailed Comments

Background

- 1.3 Where is the evidence that “policies CH1 to CH4 are actually delivering a diversity of housing in the Borough”? Whilst we **support** the central vision, we have not seen the evidence that is delivering this. The purpose of this document is to review this (para 2.1).

Need for a Review

- 3.2 We **support** the NPPF requirement:
- to plan for a mix of housing based on current and future demographic trends and the needs of different groups in the community;

- to meet affordable housing provision on site, unless off-site provision or a financial provision of broadly equivalent value can be robustly justified; and
- the agreed approach contributes to the objective of creating mixed and balanced communities.

This review needs to assess whether current policy is achieving this or even whether it is going in the right direction. We consider that there is a need:

- to assess the track record for every major housing development (10 or more units) consented and/or completed in the last five years, in terms of whether it produced primary residences or non-primary residences, whether they are empty for much of the year; whether the size and price of the units exceeded £1million; and
- to identify the extent that small flats and houses in multiple occupation are being converted to larger units/single-family houses at the expense of “affordable” housing.

The Annual Monitoring Report

There is a general absence of evidence in this section.

Para 4.2: The AMR monitors net planning permissions and net completions, but are the, but do meet se figures accurate/complete?

What proportion of the permissions and completions are affordable housing?

Para 4.3: Permissions have not been translated into completions. This needs more evidence of delivery and the reasons for the lag in delivery.

Para 4.4: There needs to be more evidence about the delivery, lags and prospects for affordable housing.

Para 4.6: Where is the updated SHMA?

Para 4.7: What does the 2011 Census show? More empty housing and second homes?

5. Issues raised by emerging evidence:

- Many of the market housing units do not address the range of identified local housing need – since when is there such a thing as “international need”? Where is this covered in any SHMA? There is no “need” to meet the demand from international buyers/investors, other than as primary residences.
- The amalgamation of units to create larger units reduces the number of net additional housing units: where is the evidence for this?

7. Issues and Options

Para 7.1: Agree delivery of affordable housing is the biggest challenge and that there is a large gap between the target and delivery rates.

Para 7.2: The shortage of sites for off-site affordable housing should put more emphasis on on-site provision.

Para 7.4: Affordable housing thresholds: the pros and cons of changing thresholds need exploration.

Para 7.5: More evidence is needed on the proportion of affordable housing negotiated for each scheme and whether it has been delivered.

8. On-site v off-site provision:

The overriding objective is to create “sustainable, inclusive and mixed communities” and “to create mixed and balanced communities” – see NPPF, para 50, 3rd bullet.

Para 8.2: We are concerned about the low amount of on-site affordable housing achieved.

Para 8.3: Off-site affordable housing: what has been done with the financial contributions? How many AH units have been produced?

Para 8.5: The whole point of the policy is to meet the needs of Borough residents within this Borough.

Para 8.7: **The Society strongly prefers Option 1.**

Option 2: Off-site provision is only acceptable if it genuinely contributes to creating or maintaining mixed and balanced communities. Most off-site provision has failed to meet this fundamental objective, let alone done so in the same area.

Option 3: is unacceptable – see examples of affordable housing for De Vere Gardens, Odeon Cinema and Holland Park School.

14. Suitable mix of Housing Sizes: “Super Prime” Units

Super Prime units have not been and should not be part of the housing need assessment. The NPPF requires local authorities to:

“use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing **in the housing market area**”

The Council’s Strategic Housing Market Assessment (SHMA) sees an overwhelming **need** for housing to meet the needs of the Borough’s residents. In the market sector the Core Strategy

As indicated above, we need to know what proportion of the number of units granted and of those completed in the last 5 years were:

- four or more bedrooms; and of these
- were in developments of 10 or more units; and of those completed
- are being used as primary residences.

The Society considers that this evidence will show that a high proportion of these are:

- not being used as primary residences; and
- empty for a large part of the year.

Such housing:

- is not meeting a local need for housing as assessed by the SHMA – indeed it makes a complete nonsense of the exercise;
- is a scandalous waste of the scarce housing sites in this Borough; and

- is undermining the objective of maintaining mixed and balanced communities or providing a diversity of housing

The key issues are:

- should we be planning to encourage schemes that may provide non-primary residences when we do not have enough land to meet the need for market housing, let alone affordable housing for Borough residents? There is a huge opportunity cost to using scarce housing sites for non-primary residences;
- why should we choose to give over our housing target to non-primary housing
- are we meeting our housing targets in terms
- should super-prime housing used for non-primary residences count toward meeting our housing target

Para 14.1: This acknowledges that “luxury, high-end, high-specification developments typically of very large units in excess of 500 sqm” .. “cater to international investors”. How does this relate to using new housing developments to:

- achieving a diversity of housing in mixed communities? (35.1.1 & CO6)
- reducing the potential for further polarisation? (35.1.1)
- creating a better mix of housing types and tenures? (35.2.1)
- retaining families with young children? (see SHMA)

Para 14.2: **The Society rejects the proposal that the Borough should adopt a niche role of providing more super-prime housing.**

There is no need for the Borough to try to compete for a larger share of the super-prime market by positively encouraging more super-prime very large units **at the expense of housing that would meet the needs of Borough residents**. We have so few sites for building new housing, that we need to redefine the needs in a way that does not add to new super-prime, very large units. Just as with the affordable housing, where we have had to develop “smart” policies which take account of the size of the market units, there is a need to define the housing mix policy in terms of floorspace rather than the number of bedrooms.

Para 14.3: It is not just the size and cost of super-prime units that is the problem – these developments do not conform with the London Plan Policy 3.4 and the Density Matrix in that they do not **optimise** the potential of their sites by producing far fewer units than their built density, height and bulk would suggest. The London Plan proposes (Policy 8.4) that more than 95% of housing schemes should be within the appropriate density range for their sites – schemes that come in under their appropriate density range should be resisted.

There is a need to review the density of major schemes **as built** – as flats are often amalgamated during construction, reducing the final number of units completed (eg Charles House, De Vere Gardens, Holland Park School)

The Council needs to recognise that, because there are very few large sites, it totally negates the purpose of meeting local housing need if these sites are being pre-empted by super-prime units which do not make any contribution to meeting the very real needs of Borough residents. The opportunity cost is huge – this idea should be recognised as totally inappropriate and would totally undermine our vision and strategy.

Para 14.5: The opportunity cost of focusing on large units is well put here.

Para 14.6: Although there are examples of super-prime developments which amalgamate several properties and/or greatly extend the properties, usually downwards, it is the new build developments that the Council could have more influence on the mix of sizes and types of units. In fact, super-prime units make up a very significant proportion of new build units and of conversions of large non-residential conversions, so that a large proportion of the new units are in the super-prime, very large unit category. This needs to change by respecifying the proportion of “large” units in para 35.3.10.

Para 14.7 Given the proportion of very large super-prime units recently completed, currently under construction and with consents, there should be no need to produce units larger than 250 sqm in the foreseeable future if the plan is amended to seeking to meet the need for locally-needed family housing in order to reduce the outward movement of family households needing a primary residence.

The policy needs to be refocused to meet the established needs of local residents for a primary residence in the Borough. This constitutes the “objectively assessed needs” for “meeting the housing development needs of the area” (NPPF paras 14 and 17). Given the difficulty of meeting the demand, let alone the need for a primary residence in the Borough, we should not even try to meet the demand for very large non-primary residences – not only are they at the expense of providing homes for Borough residents but they produce far fewer units.

Option 1: Continue with the status quo

The Society **rejects** this option – the opportunity cost is unacceptable.

Option 2: Allow for super-prime units in schemes but as a small proportion of the mix

This would be an improvement if expressed in terms of a small proportion being larger than, say, 200 sqm.

Option 3: Resist super-prime units in new developments recognising that this market can be catered for by an appropriate conversions policy

The Society favours resisting large super-prime in new developments, but **objects** to a conversions policy which promotes amalgamations and deconversions because of the loss of smaller units. (see next section)

15. Amalgamations and Deconversions

Given the cost of housing, the size of “family-sized” market housing units will not be that large. The cost of increasing space goes up very rapidly – such as increasing the size from a two-bedroom to a three-bedroom flat – that families who want to stay are not looking for whole houses, let alone amalgamating two houses.

Deconversions are the main source of loss of housing units, such as converting a house in multiple occupation or a building divided into flats into a small number of flats or just one house. These net losses from these conversions need to be deducted from the net increase in units from other redevelopment/development schemes, leaving the net additional number of units that should be assessed against the Borough’s housing target.

It would appear that although the Council has accurate monitoring figures for major housing developments, and, perhaps, conversions that involved a net loss that was explicit about these losses (check!), the monitoring system has failed to record:

- conversions/deconversions involving a net loss of units where planning applications did not specify the losses; and
- cases where a certificate of lawful development has been requested to state that consent is not needed because it is considered that it does not constitute development.

These losses have, therefore, not been recorded and offset against the net gains from other schemes. The scale of these losses are, however, significant. For example, the Council has calculated that in the last 4 years requests for certificates represented a loss of 218 units – ie over 50 per year.

The Society has challenged the Council’s interpretation that any conversion involving a loss of 5 units or less does not constitute development. This does not have a strong legal basis – the Society considers that a building divided into five or even four flats is materially different in character than a single-family dwelling and as such a proposal to change it to a single-family dwelling should require planning consent.

There is great deal of confusion on the part of the Council between not seeing a single-family house as materially different whilst in the same breath seeing it as a different type of housing. The choice of where to draw the line in terms of the benefits of the change and the scale of the losses is a policy, not a legal matter.

Options:

Option 1: Continue with the status quo and retain the existing policy resisting loss only where there is a net loss of five or more units.

The Society considers that the Council does not have a strong enough evidence base for this to be a sound policy. The Council should reassess the losses from deconversions over the last three years so that the rate of net losses can be seen against the alleged net additions from new developments.

Nevertheless, the Society considers that developments which involve significant losses of small units should be resisted. We therefore consider

that the threshold needs to be revised downwards in terms of when a scheme will be resisted.

Option 2: Allow the restoration of large family-sized houses back to the purpose for which they were built

This description is disingenuous. Many of the very large town houses were originally designed for households with numerous servants. These should not be described as “family-sized” in today’s terms – they would be just very large, super-prime properties.

The Society considers that only where there are very strong conservation reasons, should these conversions override the loss of a significant number of units (ie 4 or more).

Option 3: Make all de-conversions the subject of a planning application and resist the loss of any units which met minimum floorspace standards

The Society considers that this policy option goes further than we have been seeking. We consider that not all deconversions should require consent nor that they should all be refused.