

## **HOUSING: PUBLICATION VERSION: JULY 2013 REPRESENTATIONS BY THE KENSINGTON SOCIETY**

The Society considers that the revised Housing chapter shows considerable improvement from the 2010 Core Strategy, but remains at odds with:

- the National Planning Policy Framework;
- the London Plan; and
- with its own aims.

As a result it remains unsound.

### **NPPF:**

The Local Plan does not comply with the NPPF because it fails:

- to focus its policies on meeting the needs of Borough residents or even Londoners in need of a home (ie a primary residence);
- to ensure that its policies secure inclusive and mixed communities in terms of the mix of sizes, types, tenures and range of housing required to meet these needs;
- to make the most effective use of land or the existing housing stock by producing fewer units on the few development sites that exist and by reducing the number of small units through deconversion of buildings currently used as flats to a single dwelling.

The NPPF emphasises the need for local plans to meet:

- the needs and priorities of their communities [Para 1]
- the needs of the present without compromising the ability of future generations to meet their own needs
- the development needs of their area
- the objectively assessed needs for market and affordable housing in the housing market area
- the needs of different groups in the community
- the size, type, tenure and range of housing that is required in particular locations, reflecting local demand
- the size, type, tenure and range of housing that is required in particular locations, reflecting local demand.

**What is very clear is that the primary purpose of the plan should be to meet the needs of its community/local area (ie local need or demand).**

## London Plan:

The Borough's Local Plan fails to deliver the aims of the London Plan to:

- ensure there are enough homes to meet the **needs of Londoners** at all stages of their lives and whatever their circumstances [Para 1.44]
- ensure equal life chances for all by meeting the needs and expanding opportunities **for all Londoners** and meeting the needs of particular groups and communities [Policy 3.1]
- promote opportunity and real choice for all Londoners [Para 3.3] by **delivering more homes for Londoners meeting a range of needs** [Para 3.14]
- promote opportunity and provide a real choice for all Londoners in ways that meet their needs at a price they can afford [Policy 3.3A]
- ensure the housing need is met .. through ..net additional homes which will enhance the environment, improve housing choice and affordability and provide better quality accommodation for Londoners [Policy 3.3B]
- optimise the housing potential of housing sites [Policy 3.4] by ensuring that developments fall within the appropriate density range for each site, based on Table 3.2 and Policy 8.4, which seeks to ensure that over 95% of housing developments comply with the appropriate density range

The basic message is that London has a huge challenge to meet the needs of its growing and changing population – ie people who live in London. The emphasis is clearly on meeting the housing needs of Londoners. Both the London Plan Strategic Housing Market Assessment and the Borough targets make no allowance for the provision “second homes” or “investment properties” that are left empty for most of the year.

The challenge set out in the London Plan is to provide all Londoners with a home. The Local Plan should not be seeking to provide a safe “bricks-and-mortar” investment for international investors, especially since undermines its ability to provide homes for local people.

The London Plan seeks to “optimise” the use of housing sites to get as many housing units on the site consistent with the Density Matrix and the local context and that these units will meet the needs of Londoners.

### **The Core Strategy (2010)**

The current Core Strategy is still unsound and not fit for purpose.

**The Society strongly supports the Strategic Objective**, but the planning policies have not helped create or maintain mixed and balanced communities, indeed. **The Society’s expectations of the revised housing chapter are to refocus the plan on meeting the housing needs of people who live and work in London, whatever their nationality.**

### **Revised Chapter: The Society’s Objections:**

#### **Homes for residents v investment property/second homes:**

The revised chapter, although it shows some considerable improvements, still sees the Borough as:

- “a desirable place to invest” and as “a safe haven in troubled times for both domestic and overseas investors” (para 35.1.1); and
- a place for “second homes” and even suggests that “a balance must be struck between catering for the requirements of the substantial and growing transient population with a more traditional local need.”(para 35.1.2)

**The Society strongly objects, given the huge shortage of homes for people who actually want to live in the Borough whatever their nationality, to the suggestion that the Borough should, within the limited annual net increase in housing units, make provision for housing purely as an “investment” or for “second homes”. The Society totally rejects that there is any trade-off or balance to be struck between providing homes for residents and using the Borough’s limit number of housing sites to provide units that are immediately removed from the market for homes as primary residences.**

The NPPF and the London Plan both seek to provide housing to meet the needs of the local community and Londoners for a home – neither suggest that a large proportion of new housing should be available for foreign investors or “second home” owners who do not require a primary residence.

The Society consider that the very suggestion that the Council might “trade off” a sizeable proportion of new completions for these purposes demonstrates that they do not understand or have wilfully misunderstood both the NPPF and the London Plan, and do not appear to subscribe to their own objective. If the Council really supports mixed and balanced communities and the need to maintain housing diversity, then these statements have no place in the Local Plan.

Similarly the reference to a balance being struck between a transient population and a more traditional local need, needs to be removed.

The Society considers that the plan should, in line with the NPPF and the London Plan, be firmly focused on the need to providing more homes for people who need to live here, whatever their length of stay. Given the pressures for homes/ primary residences, there is no place for a policy which trades off these needs for those of investors or “second home” owners who leave their properties vacant for most of the year.

### **Housing mix**

The current Local Plan, allegedly based on the Borough’s 2009 Strategic Housing Market Assessment, strongly encouraged 80% of new market housing to be in large units with 3 or more bedrooms.

In 2010 the Society strongly objected to this proposed mix as it would play straight into the international investment market, and the scale of the “leakage” would leave very few units to meet the needs of local people or even Londoners.

These predictions have proved to have been accurate, with 60% of the buyers in the Central London “super prime”/luxury housing market being “non-local” (ie not London residents) and that only 30% of all purchases were for primary residences ( ie 70% were “secondary” or as an investment). This is particularly the case for the newly-built “super-prime” housing.

A high proportion of these “super-prime” units have proved to be large (<200sqm) or “very large” (<350sqm) and in one development (South Site of Holland Park School) 54% of all the residential floorspace will be in units of <350sqm!

The new Housing Chapter, despite dismissing the new 2012 SHMA as “theoretical”, continues to promote 80% of new market housing being in units of 3 or more bedrooms (Table 35.1), even though the 2012 SHMA “suggests” a figure of 56%! The Council insists that this figure (80%) is not policy – the Council can choose the proportion. In practice it would appear that the Council has “chosen” to continue with the 80% figure in the 2010 plan.

If the Council really supports a mix of types and sizes of new units, they need to remove the “theoretical” figures from the 2009 SHMA (now attributed to the 2012 SHMA) and make a real policy choice – whether the housing mix is to be geared to the Borough’s housing needs or to the demand from the international investment market. The Society considers that the choice is clear from the NPPF, the London Plan and the objectives of the Local Plan.

**The Society considers the approach counter to the NPPF, London Plan and the Council’s own objectives and unsound.**

### **Making the most effective use of housing sites**

One of the consequences of the focus on very large, luxury flats (now referred to as “super prime”) has meant that not only did the Borough’s housing sites “under-perform” in terms of the low proportion of units that met the needs of the local housing market, but they often produced considerably fewer homes than they would have done with a different housing mix. Put bluntly, the sites failed to meet their potential in terms of the London Plan Policy 3.4, which seeks to optimise the housing potential of sites to meet London’s housing needs, and a large proportion diverted to the invest-to-leave (rather than invest-to-let) and second home markets.

This has meant that the few major housing sites have produced fewer housing units than they would have done with a different size mix and even fewer houses for the local market once the investment properties and second homes have been deducted as well. The opportunity cost of using these sites for “super prime” housing at the expense of homes for Londoners is totally unacceptable and at complete odds with the Councils’ declared priorities. As para 35.3.3 says, these super prime units are unaffordable even for many affluent residents.

These trends, which have been operating for the last 10 years or more, have led to Kensington and Chelsea being the only London Borough experiencing a reduction in its population between the 2001 and 2011 Censuses. Despite an increase in units, a rising proportion of them are now empty.

**The Society considers that the current policy has been counter-productive to the achievement of the Council’s declared aims.**

### **Conversions of buildings currently in flats to single houses**

The pressure to “deconvert” is driven by the value of the building being greatly increased by creating very large, “super-prime” houses for sale on the international investment market. The whole is worth considerably more than the

sum of the parts, especially when enhanced with a basement with swimming pool, cinema and sauna.

This process would significantly reduce the quantity of housing units by escalating the rate of change. The current estimated loss of over 50 dwellings a year is perhaps an underestimate. (35.3.9), but a policy to encourage deconversion in order to recreate large houses would rapidly deplete the stock of smaller, lower-priced, privately-rented flats which make a considerable contribution to maintaining a mixed community. The proposed change in policy would rapidly change the social composition of certain areas and be in direct conflict with creating and maintaining the mixed and balanced communities supported by the NPPF, the London Plan and this Local Plan.

## **DETAIL**

### **35.1 INTRODUCTION**

35.1.1: The Society **objects** to the loss of statement of the Council's strategic focus in the opening paragraph of the Core Strategy"

"Our strategic focus is therefore on achieving a diversity of housing in mixed communities, to reduce the potential of further polarisation between, in broad spatial terms, the north and south of the Borough."

The Society **objects** to the references to the Borough being "a desirable place ..in which to invest" and as a "safe haven in troubled times for both domestic and overseas investment". Whilst these may be the facts, when seen in conjunction with the proposed trade-off at the end of para 35.1.2, these comments have no place in this plan.

**Proposal: delete the references to investment.**

35.1.2: This paragraph highlights the problems created by increasing number of existing houses and flats becoming second homes. However, the Society **objects** to the last sentence which suggests that a balance must be struck between "the substantial and growing transient population with a more traditional local need." The needs of Londoners or Borough residents for housing are what planning should be dealing with. It presents a false choice.

**Proposal: Delete last sentence.**

- 35.1.3/4 The Society **strongly supports** the Council's continued commitment:
- "to maintain housing diversity", "to promote housing choice" and to make "effective use both of the existing building stock and of new sites".
  - to provide "a range of housing .. at a range of sizes, to the appropriate standards, striking a balance between market demand, overall housing supply, diversity of housing product and affordable housing need"
- 35.1.5: The Society **strongly supports** the very limited reliance that will be placed on changes of use to residential, especially to resist offices to housing.

## **35.2 WHAT THIS MEANS FOR THE BOROUGH**

- 35.2.1: The Society **strongly supports** the Council's aim "to seek to achieve a mix of housing types and tenures throughout the Borough and more housing overall."

## **35.3 POLICIES**

### **Housing Diversity**

- 35.3.1: The Society **strongly supports** making "the best use of.. sites and include a mix of types, tenures and sizes to reflect the housing needs of the Borough whilst ensuring that the local context and character of the area are taken into account."

### **Mix of types and sizes of homes:**

- 35.3.2: The Society **strongly objects** to "proposed" housing mix in Table 35.1.

**Proposal:** Table 35.1 should be amended for the 2012 SHMA and the market housing size mix be disaggregated and a policy choice be taken to provide units of a size that would enable them to stay on in the Borough.

35.3.3: The Society **strongly supports** the Council's proposal not to go with what the SHMA "suggests", but seek to ensure that a range of market units are provided.

35.3.4: The Society **strongly supports** the use of floorspace as an indicator of size.

#### **Creation of very large units:**

35.3.6: The Society is **strongly concerned** by "the demand for extremely large properties through the amalgamation of smaller units".

35.3.7: The reference to "international business people" is gratuitous and inaccurate – change to "buyers".

The Society **agrees** with the "need to strike a suitable balance between catering for .. large homes and endeavouring to optimise housing delivery and providing a diversity of housing"

The Society **particularly welcomes** the proposal that "where very large dwellings are proposed in new development, they should form only one component of a suitable mix of units and the scheme as a whole should pay attention to the [prevailing residential density."

35.3.8: The Society **strongly supports** the proposed definition of a "very large unit" as more than twice the Mayor of London's minimum housing standard as asset out in the Mayor's Housing SPG."

#### **Amalgamation:**

35.3.9: The Society **is very concerned** about any proposal for increased amalgamations, especially because it works against both the need or a wider range of housing diversity and the need to increase the number of dwellings in the Borough. Furthermore, such conversions would merely play into the international investment market, rather than provide housing for Londoners.

Many of the large buildings originally built in the 1890s with the intention of being single dwellings were never used as such, as the market had moved on and they were used from the outset as flats or hotels. After the First World War such large houses could no longer be supported, as they required a significant number of servants. Those not converted before the Second World War were subsequently converted through the need for housing. Today the main support for these amalgamations are from speculative

developers wishing to sell the finished product on the international investment market.

The proposal to promote the amalgamation of properties currently in flats into single very large dwellings – some as large as 6,000sqm after the obligatory basement swimming pool, cinema, sauna, etc have been added – would rapidly clear out smaller, more affordable flats, against the Council’s aim of maintaining a mix of types and sizes of dwellings. Whether intended or not, the effect of this policy would be planned gentrification, leaving whole areas that are currently mixed communities just for the very rich or absentee international owners.

**The Society strongly objects** to the Council promoting the amalgamation of smaller flats in buildings which may have originally built as single dwellings in order to increase the supply of very large “super-prime” units. It would be:

- contrary to the NPPF – it would not meet the needs of the community/local area;
- contrary to the London Plan – it would not meet the needs of Londoners for a home
- contrary to the current redraft which proposes that new developments should provide a mix of sizes, with very large units forming only one component of the development.

**The Society strongly objects** to this proposal that could rapidly change the social mix of whole streets that are now in flats that could be converted to single houses on a speculative basis for sale as investments. It is no wonder that the Census shows a decline in population in some areas and a rise in empty properties. This result is the opposite to what the NPPF, London Plan **and** the Local Plan intends.

**The Society proposes the reinstatement of Core Strategy Policy CH2(f) resist development which results in the net loss of five or more residential uses.**

### **Extra Care Housing**

35.3.10 The Society **agrees** that there is a need for more manageable and accessible units to enable older people to move out of larger properties yet remain within the Borough. The Society considers

that the Local Plan should be much more positive about providing more opportunities for older people to move.

- 35.3.11 The Society **welcomes** the Council's support for more sheltered and extra care housing stock, but **strongly disagrees** with the apparently gratuitous sentence about over-provision of bedsits. Whilst these may no longer meet the needs of older people, they need to be brought up to standard.

### **Lifetime homes**

- 35.3.13 The Society **supports** the new homes being built to be more accessible, convenient, flexible and adaptable.

### **Houses in Multiple Occupation**

- 35.3.16 The Society **strongly supports** the role of that HMOs play in providing lower-cost, private-rented housing and support the policy for their retention, as this supports the aim of maintaining mixed and balanced communities. This has recently been supported on appeal for 27 Bassett Road because of the impact on the supply of low-cost housing.

### **Hostels**

- 35.3.17 The Society **supports** the retention of hostels, unless it is demonstrated to be no longer appropriate and can be converted to another form of affordable housing.

### **Affordable housing**

- 35.3.27 The Council proposes to raise the size of scheme at which affordable housing would have to be provided on-site from a net increase in residential floorspace from 1,200sqm to 2,400sqm. The Society considers that this may put undue pressure on finding sites to place the off-site affordable housing, albeit the contribution will be financial. The Society welcomes the range of types of affordable housing that the Council will seek (para 35.3.28).

Nevertheless, the Society is **disappointed** that affordable housing cannot be provided on-site other than for schemes where the net additional floorspace exceeds 2,400sqm. But our main concern has been the way that the very large "super prime" housing schemes

have dumped the associated affordable housing well away from their scheme, when it would have been perfectly feasible to have incorporated it within the scheme.

## **COMMENTS ON POLICY CH1: MIX AND TYPE OF HOUSING**

The Society **strongly supports** the headline statement of Policy CH1 and almost all of the policy statements under “Housing Mix and Type” and “Affordable Housing”, especially:

a. **making the best use of housing sites: in accord with Policy 3.4, Table 3.2 and Policy 8.4 of the London Plan** this policy should be properly explained – para 35.1.4 suggests that “effective use must be made of both existing building stock and of new sites.” This would mean:

- **making more effective use of existing buildings** – retaining conversions rather than amalgamating flats – anything between 4 and 12 flats – into a large single house; and
- **optimising the number of flats and houses on major development sites rather than many fewer much larger flats.**

b. **ensuring new residential development includes a mix of types, tenures and sizes of homes:** this policy is essential to ensure that future schemes are not dominated by very large, luxury “super-prime” units.

c. **limit “very large” units to no more than 25% of the total floorspace:** this will be essential if new housing developments are to avoid being mainly unoccupied “monuments” – many of the completed schemes are seldom more than 40% occupied at any time.

g. **protect houses in multiple occupation; and**

i. **requiring housing schemes to include outdoor amenity space.**

The Society is **strongly opposed** to the amalgamation of flats to recreate a single house due to the loss of small units. However, the Society notes that the policy (CH1(d)) would limit this to cases “where the unit created is not “very large”. Whilst this sounds like a safeguard, the Society is strongly concerned that the general presumption that this is “the best way of addressing the demand for larger units” (para 35.3.9) seems to belie this and that amalgamation may become the norm.

The Society is **very concerned** the loss of the previous policy CH2(f) to “resist development which results in the net loss of five or more residential units” which was designed to avoid wholesale losses of small units through deconversion/ amalgamation. This does not seem compatible with avoiding the creation of “very large” units.

The Society generally supports the policies on affordable housing, although it has lost the safeguards against “dumping” affordable housing in wards which already have a high proportion of social-rented housing – current policy CH2(l).