

Housing Statement RBKC

Quod
EC.PA.26A
July 2024

We are creating a place the world will watch with wonder, on London's iconic site of human ingenuity.

Through our masterplan, we will reimagine the very fabric of living, working and urban wellbeing for London and future spaces.

Attracting the world's most inventive, imaginative and extraordinary minds.

That place is Earls Court.



Our four place pillars underpin our vision and set the ambitions for the place we want to create.



Foreword

After four years of deep consideration and collaboration with stakeholders and local people, The Earls Court Development Company (ECDC) is delighted to present the ambitious future plans for this iconic Site.

We formed in 2021 during the lockdown imposed by the first global pandemic in a century, an era which was both disruptive and formative, demanding that we reflect and reassess how we will be living in the future. There could be no more engaging mission for a team specifically assembled to design a place fit for the 22nd century.

As a team, ECDC shares a passion for transformational inner-city projects, and collectively have wide-ranging experiences from diverse international projects. Together, we are driven to fulfil the opportunities of this complex strategic site for London and rightfully put Earls Court as a place back on the global map.

Our intent from the very beginning, was to take a different approach to community involvement in shaping design. Setting up as a local business and being right next to Site everyday, working closely with both local authorities, the Mayor's office, local businesses and our neighbours has been fundamental in shaping our plans for the Site, which we believe are more relevant and exciting for it.

We have listened and taken huge inspiration from Earls Court's heritage, as a place that dared — to showcase, to entertain and celebrate the spectacular. A place that was so clearly cherished for being bold and brave, welcoming people from across the globe.

Our plans retain that innovative spirit that embraces future thinking — an approach we believe has become more important now than ever before. An approach that continues to drive

us to create a global exemplar of sustainability.

We understand our responsibility to deliver much needed homes and employment opportunities for London. Critical to achieving these aims is creating a place with personality, a place that once again becomes a destination with a broad cultural appeal and is fully inclusive to all that come to experience it.

The masterplan has been created to prioritise urban wellbeing and includes a network of Exhibition Gardens that will be open and accessible for everyone to enjoy. We're creating a pedestrian-first environment alive with daytime and evening active uses. This generosity of open space is evident at key arrival points as well as the unique Table Park and Lillie Sidings.

Our commitment to create a better piece of city has been evidenced over the last three years as we have welcomed over 500,000 people back onto Site to enjoy a programme of events that nod to the past and point to the future of Earls Court.

ECDC began with a mantra 'to make haste slowly' and ensure we took the time to both listen and appreciate the world of Earls Court, which helped to establish the early vision to bring the wonder back to Earls Court.

Now, after over four years of consideration, we are proud to present our hybrid planning submission to the authorities for determination — a key milestone to enable the future of Earls Court as a place, once again, to discover wonder.

Rob Heasman
CEO
The Earls Court
Development Company

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Earls Court: Key Housing Benefits for RBKC



Improved Affordability for Everyone

Up to 1,400 high quality new homes, adding substantially to local housing supply and helping reduce housing costs in the area which have been driven up by a shortage of supply.



Social Rent Housing

Homes for households on the Council's Housing Waiting List, with rents starting at £174 per week and sizes ranging from one to four beds.



Age Appropriate Options

Delivery of Later Living homes, offering an attractive housing option for older households, whilst also enabling larger under-occupied family homes to be released.



Accessible Housing

Market and affordable homes for those with a range of accessibility needs, with 10% of homes suitable for wheelchair users or those with other mobility needs.



Delivering and Releasing Family Housing

Directly delivering new family homes, as well as smaller homes (one and two beds) to relieve pressure on conversion of existing family homes to HMOs and shared accommodation.



Professional Management

On-site, professional management of rental homes, driving up standards for renters and investing in long-term maintenance of homes.



Housing Keyworkers

Intermediate homes to buy or rent, affordable to keyworkers providing local community services, including those starting careers in fields such as nursing, teaching and care.

1.0 Executive Summary

Introduction

- 1.1 The Earls Court Development Company (ECDC) has worked closely with both the London Borough of Hammersmith and Fulham (LBHF) and the Royal Borough of Kensington and Chelsea (RBKC) along with local stakeholders to optimise the proposals for housing for the local community. Following this work, up to 1,400 homes are proposed within RBKC, of which 35% (measured by habitable room) are affordable housing, meaning approximately 424 affordable homes¹ by unit, 1,352 by habitable rooms (precise numbers to be confirmed as Reserved Matters Applications come forward) for local needs.
- 1.2 This Housing Statement sets out the approach to affordable homes, including the provision of social rent, intermediate rent and affordable home ownership housing in relation to the RBKC Hybrid Application. Also included are details of the types and tenures of market homes which, together with commercial space, create the value to enable delivery of the site. ECDC is committed to the delivery of affordable homes and ensuring that the substantial economic and housing delivery benefits of the development proposals for London are optimised. ECDC will continue to collaborate with RBKC in the application determination process, ensuring that the affordable housing and related details support the objective of delivering homes for the local community and more widely across London.

Summary of Proposals

- 1.3 The Hybrid Application proposes up to 3,900 homes (C3 Use) across LBHF and RBKC comprising 772 in detail and 3,128 in outline. The RBKC Proposed Development includes up to 1,400 homes (C3 Use), comprising 310 in detail and 1,090 in outline. An illustrative masterplan has been designed for the Outline Components, complementary to the Detailed Components and in line with the Parameter Plans, Design Code and the Development Specification. A summary of the key considerations and benefits for the delivery in RBKC is set out below:
- **Housing Delivery:** up to 1,400 homes (C3 Use) are proposed, Earls Court therefore has the opportunity to make a significant contribution towards meeting the Council's housing targets over the development period.
 - **Affordable Housing:** 35% affordable housing (measured by habitable room) is proposed, which could provide up to 424 homes. The site could therefore deliver two and half years worth of the Council's annual affordable housing target, making a substantial contribution to meeting the local need for affordable housing. The affordable homes will include a mix of tenures:
 - **Social Rent** homes will provide for households registered on RBKC's Housing Waiting List;
 - **Intermediate Rent** homes, aligned to incomes of local key workers, will ease the pressure on the 'squeezed middle' cohort and support recruitment and retention; and
 - **Affordable Home Ownership** dwellings will give households a helping hand to get onto the property ladder.

¹ approximate figures that are based on indicative unit size and tenure mix assumptions at this stage to provide indicative AH unit figures for information

- **Affordability:** the affordable homes, spanning a range of tenures, will be affordable to households in need earning a wide range of incomes – including many key worker households who are vital to the growth and success of RBKC and London – thus supporting the economy and local public services by contributing to recruitment and retention of staff.
- **Housing Types:** Earls Court will provide conventional market housing alongside the delivery of 150 Later Living to meet a range of identified housing needs and will support the creation of a mixed, balanced and inclusive community. The proposed market tenures comprise:
 - **Market Sale:** delivery of market homes increases the housing options available to local households and helps to relieve affordability pressures locally;
 - **Later Living:** age-appropriate housing to meet the growing older persons population within the area and the evolving needs / care and support models for this group.
 - In combination, the above tenures will significantly boost local housing supply and, as evidenced by GLA data noted within this report, make local housing more affordable for all households.
 - **PBSA:** Up to 30 bedspaces are proposed in RBKC as part of the Application. The Applicant is committed to providing 35% affordable student bed spaces, the same proportion as the conventional residential affordable housing
 - **Co-living:** proposals include the provision up to 40 Co-living units within the RBKC, Recognising the need for social rent and intermediate homes, the affordable housing requirement generated by any co-living homes will be delivered as conventional affordable housing elsewhere within the site
- **Economy:** the proposals will support RBKC to grow the local economy: high quality, centrally-located homes will be available to rent or buy, enabling opportunities for existing residents while attracting newly recruited employees to relocate, and helping retain skilled professionals.
- **Unit Mix:** the development proposes a mix of home sizes appropriate for the site location and nature of the proposals, ranging from single person homes to larger family homes. The proposed mix is aligned to population projections and will make an important contribution to meeting unmet needs for a range of housing types.

1.4 In the round, the proposals meet a wide range of local and regional policy priorities as set out within this statement. The proposals will support the new Government's aim to kickstart economic growth, unlock infrastructure delivery and swiftly progress towards the delivery of substantial numbers of new homes. The housing and economic benefits of the Application, together with the fact that the Applicant team has a proven record in successful delivery of large-scale masterplans, mean that the housing proposals should be given substantial positive and material weight in the planning decision making process.

2.0 Introduction

- 2.1 This Housing Statement has been prepared by Quod and is submitted as part of two Hybrid Planning Applications, one submitted to the Royal Borough of Kensington and Chelsea ('RBKC') and one submitted to the London Borough of Hammersmith and Fulham ('LBHF') in relation to the redevelopment of the land bounded by West Cromwell Road, Warwick Road, Philbeach Gardens, Eardley Crescent, Lillie Road, Old Brompton Road and the West London Railway Line ('WLL'); and 1 Cluny Mews in RBKC (the 'RBKC Site') and North End Road, Beaumont Avenue, West Cromwell Road, the WLL, land comprising the Empress State Building ('ESB'), Aisgill Avenue, the former Gibbs Green School properties fronting Gibbs Green Close, and properties fronting Dieppe Close (the 'LBHF Site') which straddle the boundary between the two boroughs (together forming 'the Site'). The Proposed Development will form the new Earls Court Development. The Hybrid Planning Applications have been submitted on behalf of Earls Court Partnership Limited ('ECPL'), ("The Applicant").
- 2.2 The RBKC Hybrid Planning Application is formed of detailed development proposals in respect of Development Plots EC05 and EC06 for which no matters are reserved ("RBKC Detailed Component"), and outline development proposals for the remainder of the RBKC Site, with all matters reserved ("RBKC Outline Component"). The RBKC Detailed Component and RBKC Outline Component together are referred to as the "RBKC Proposed Development".
- 2.3 The LBHF Hybrid Planning Application is formed of detailed development proposals in respect of Development Plots WB03, WB04 and WB05 for which no matters are reserved ("LBHF Detailed Component"), and outline development proposals for the remainder of the Site, with all matters reserved ("LBHF Outline Component"). LBHF Detailed Component and LBHF Outline Component together are referred to as the "LBHF Proposed Development".
- 2.4 Together the RBKC and LBHF Proposed Developments form the Earls Court Development which comprises the redevelopment of the Site. The Earls Court Development will provide residential dwellings, purpose-built student accommodation, assisted living, workspace, culture, community, retail and leisure facilities alongside high quality public realm and open spaces.
- 2.5 The purpose of this Housing Statement is to summarise the housing proposals within RBKC (set in the context of the proposals within LBHF) and to assess the RBKC Proposed Development, demonstrating that the amount, type and mix of market and affordable housing is appropriate for the Application Site and the development proposals. Unless stated otherwise, all references to the Proposed Development / Application within the main body of this document relate to the proposals within RBKC. A separate Housing Statement has been prepared for the housing proposals in LBHF.
- 2.6 The Proposed Development as a whole (LBHF and RBKC Applications) is currently anticipated to be delivered in eight main phases and over an estimated programme of approximately 19 years. The eight main phases encompass the full build out of the Proposed Development.
- 2.7 No significant delay is anticipated between the phases. However, realising vacant possession of the Lillie Bridge Depot within LBHF is complex and whilst an indicative programme has been agreed with London Underground Limited (LUL), it is subject to ongoing review, detailed preparation and design, and additional consents. It may change and could delay vacant possession beyond the timescales currently anticipated.

- 2.8 Due to the above, the Hybrid Planning Applications consider and assess two different scenarios. These are:
1. All Phases: comprising the entirety of the Proposed Development. This is currently anticipated for completion by 2043.
 2. Early Phases: Phases 1-4 (the 'Early Phases') are completed, but the Depot remains operational and is delivered to a different programme from that currently anticipated in the All Phases scenario.
- 2.9 Whilst the above is relevant to understanding the number of homes within each component of the development, it is confirmed that the proportion, type and tenure mix of affordable homes is secured identically for the Early Phases and All Phases. The early and subsequent phases will therefore include the same proportion of affordable homes, ensuring mixed and balanced communities throughout. For further information in relation to phasing and development scenarios, refer to the submitted Planning Statement and Environmental Statement.
- 2.10 This RBKC Housing Statement should be read in conjunction with the wider application documents, in particular the Financial Viability Assessment which sets out the financial testing and assumptions which have informed the housing proposals and the LBHF Housing Statement.

3.0 Application Overview

- 3.1 This section of the statement provides an overview of the Application Site (the whole site) and the development proposals for RBKC.

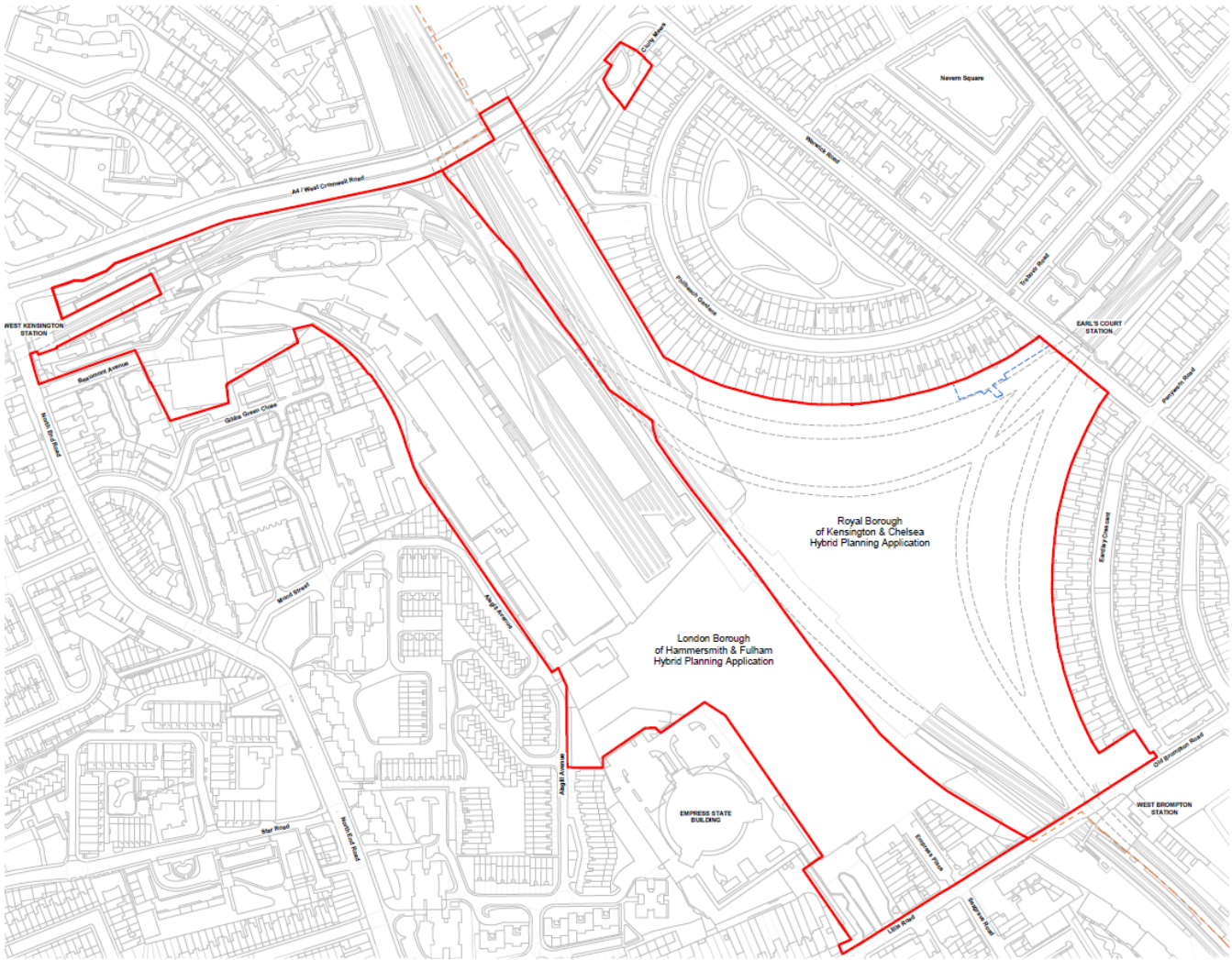
The Application Site and Surrounding Area

- 3.2 The Site occupies an area of approximately 18 hectares (179,956sqm) and is located in both the London Borough of Hammersmith and Fulham (LBHF) and the Royal Borough of Kensington and Chelsea (RBKC), in West London. The Site area associated with the RBKC Hybrid Planning Application is approximately 8 hectares (78,561sqm) and the Site area associated with the LBHF Hybrid Planning Application is approximately 10 hectares (101,395sqm).
- 3.3 The LBHF and RBKC administrative boundary bisects the Site along a northwest - southeast axis from Lillie Road to West Cromwell Road.
- 3.4 The RBKC Site is bound to the north by West Cromwell Road, to the east by Warwick Road, Philbeach Gardens (including 1 Cluny Mews) and Eardley Crescent, to the south by Lillie Road and Old Brompton Road and to the east by the West London Railway Line (WLL), and 1 Cluny Mews.
- 3.5 The LBHF Site is bound to the west by North End Road, Beaumont Avenue, the former Gibbs Green School, properties fronting Gibbs Green Close, and properties fronting Dieppe Close, to the north by West Cromwell Road, to the east by the West London Railway Line (WLL), to the south by Lillie Road and to the south east by land comprising the Empress State Building and Aisgill Avenue.
- 3.6 The Site is a large brownfield site with railway infrastructure and comprises the following:
- Cluny Mews – The far northeastern part of the Site comprises an office building at approximately 4 storeys, an annex building which comprises 3 storeys of residential flats and associated paved roads with parking. This is currently activated as a temporary meanwhile use.
 - Land formerly home to the Earls Court Exhibition Centres – The eastern and southeastern parts of the Site (roughly triangular shaped and to the east of the WLL) and the southwestern part of the Site (to the west of the WLL) comprise extensive areas of open hardstanding. These areas of hardstanding were previously occupied by the Earls Court Exhibition Centres which were demolished between 2015 and 2017. The Table spans the WLL between the hardstanding areas. Beneath is an extensive network of railway infrastructure including the District Line and Piccadilly Line. Parts of this element of the Site are currently activated with temporary meanwhile uses.
 - Empress Place – The southern and southwestern parts of the Site comprise 3-4 storey terrace buildings fronting Empress Place and Lillie Road. These are currently activated with temporary meanwhile uses.
 - Bus Facility – To the west of Empress Place is a bus turning and waiting facility accessed from Lillie Road. This area comprises a bus layover area with capacity for up to four buses and a small standalone structure that includes welfare facilities for bus drivers.
 - Lillie Bridge Depot (LBD) – The western, northern and northwestern part of the Site comprise the LBD. The LBD is currently used as a maintenance facility by London Underground Ltd (LUL) and as a TfL training facility. The LBD uses and on-Site structures comprise office buildings, rail tracks, road to rail vehicle (RRV) delivery and access point, articulated lorry access and delivery

area, carpenter/rail workshops, storage buildings, train stabling box, associated infrastructure and parking.

- 9 Beaumont Avenue – A 2 storey building located in the far northwestern part of the Site. This is currently activated as a temporary meanwhile use.

Figure 3-1- Hybrid Planning Application Boundary



3.7 Table 3-1 overleaf summarises the overall homes / units that are being proposed across the housing types for the proposed development.

Table 3-1- Indicative RBKC and LBHF Hybrid Application Residential Units and Hotel, Co-Living, Older Persons Housing and PBSA Rooms							
Land Use	RBKC Outline Component	RBKC Detailed Component	RBKC Total	LBHF Outline Component	LBHF Detailed Component	LBHF Total	Overall Total
Residential Units (Class C3)	1,090	310	1,400	2,038	462	2,500	3,900
Hotel Rooms (Class C1)	150	0	150	250	0	250	400
Older Persons Housing Units (Class C2)	150	0	150	150	0	150	300
Co-Living Units (Sui Generis)	40	0	40	960	0	1,000	1,000
PBSA Bedrooms (Sui Generis)	30	0	30	774	696	1,470 - 1,500*	1,500

*Up to 1,500 PBSA bedrooms under LBHF Hybrid Application only to be reached in the event that no PBSA bedrooms come forward in Development Zone V2 under RBKC Hybrid Application.

Development Proposals

3.8 The description of the development which falls under the RBKC site is as follows:

“Hybrid Planning Application for part outline (all matters reserved) and part detailed (no matters reserved) planning permission for demolition and alteration of existing buildings and structures and phased redevelopment to include landscaping, car and cycle parking, means of pedestrian, cycle and vehicular access and routes and mixed use development comprising Residential (Class C3), Workspace (Class E), Cultural Facilities (Class F1 / Sui Generis), Older Persons Housing (Class C2), Hotel (Class C1), Retail (Class E), Leisure (Class E / F2), Education (Class E / F1), Community Facilities (Class F2), Storage and Distribution (Class B8) and Sui Generis uses (to include Student Accommodation, Theatre, Car Showroom, Nightclub, Drinking Establishment (with or without expanded food provision), Hot Food Takeaway, Live Music Performance Venue, Cinema, Concert Hall, Bingo Hall and Dance Hall uses) above and below ground level and all associated and ancillary works and structures including temporary development, highway and infrastructure works and structures.”

3.9 The proposed development within RBKC will provide 310 homes within the Detailed Area and up to 1,090 homes within the Outline Area, totalling 1,400 homes. Details of floorspace for the detailed and outline permissions are set out in Table 3-2 below.

Table 3-2- Detailed and Outline Area Floorspace for the RBKC Proposals		
Use	Detailed Area Floorspace GEA (sqm)	Maximum Permitted Area Floorspace GEA (sqm)
Residential	39,020	170,000
PBSA	0	2,000
Co-Living	0	2,000
Hotel	0	12,000
Office / Research and Development	322	95,000
Education	0	20,000
Health / Older Persons Housing	0	35,000
Retail / F + B / Flexible Commercial	1,319	11,000
Leisure	0	4,000
Culture	0	3,000
Storage and Distribution	0	6,000
Community / Social Infrastructure	340	2,000
Ancillary (Station Interface / Parking / General BoH)	0	30,000

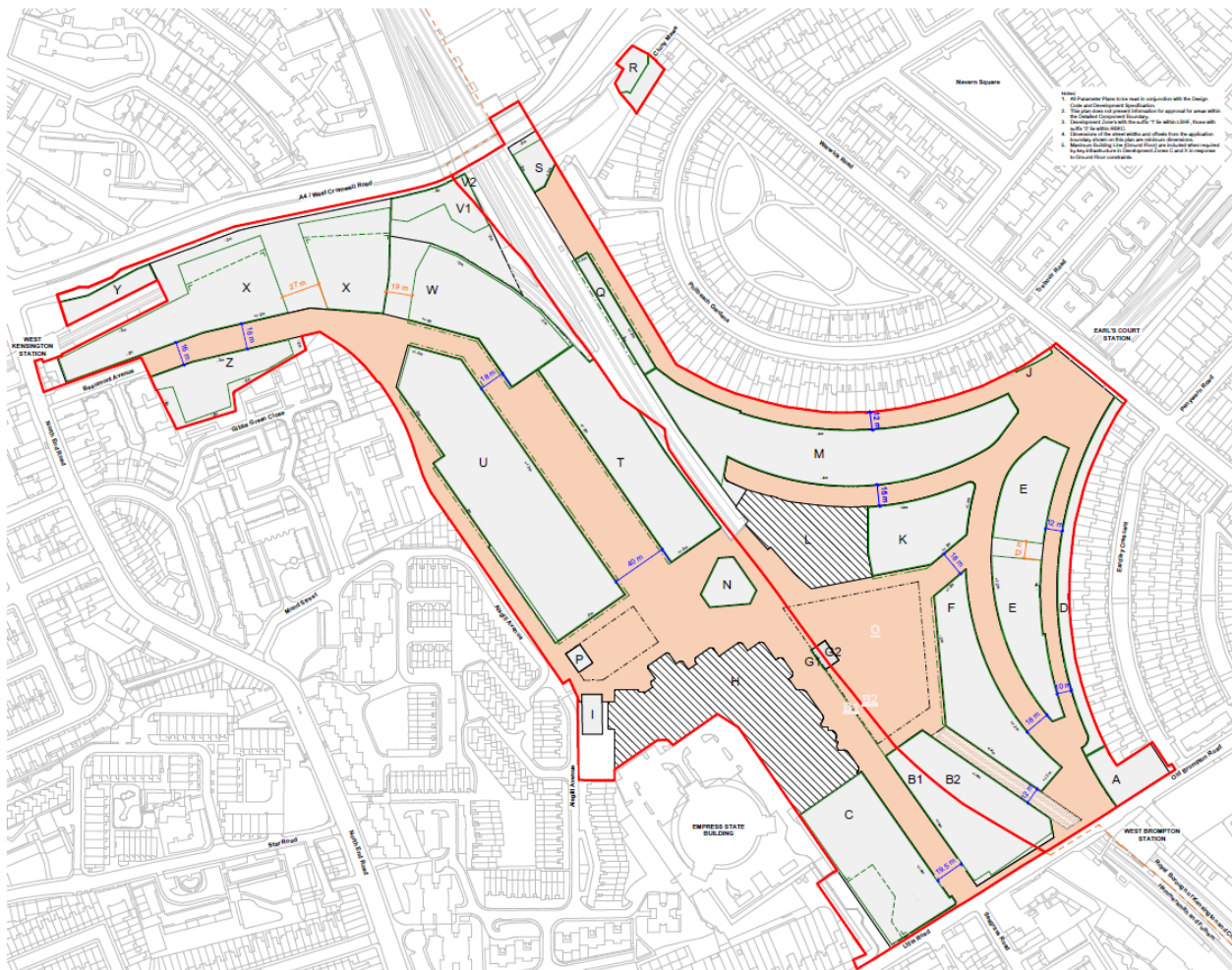
Maximum Development Capacity	41,001	245,002
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- 3.10 The Proposed Development includes a mix of health, education and community floorspace that can deliver a range of facilities across the Site to contribute the creation of a mixed and balanced community. Further detail on the proposals for Social Infrastructure (Community, Health and Education) can be found in Section 7 of the Planning Statement.
- 3.11 In addition to the above uses, the Proposed Development will also include open space and public realm, play space, a comprehensive landscaping strategy and the provision of cycle parking.

Residential Use

- 3.12 The development proposals within RBKC include up to 170,000sqm (GEA) of C3 residential floorspace (including amenity) with unit mix ranges proposed to meet the diverse needs of the borough. The proposals will deliver up to 1,400 homes within RBKC. Whilst a large proportion of the homes will be for traditional market sale and affordable, there are provisions and flexibility built into the parameters to allow for other tenures to be brought forward such as Later Living, Co-living and PBSA.
- 3.13 Table 3-1 (above) highlights a small quantum of Purpose Built Student Accommodation (PBSA) and co-living uses included in RBKC as a result of proposed buildings which straddle the borough boundary. These buildings are however primarily in LBHF.
- 3.14 The PBSA and Co-living floorspace is allocated to Development Zone V (which is primarily within LBHF), development plot WK06 is partially in RBKC so for the formal purposes of the Hybrid Applications a small allocation of these uses is needed to be allocated to RBKC to enable this flexibility of use in these locations.
- 3.15 Figure 3-2 (overleaf) sets out the parameter plan and the development zones of the proposed development where Zone V split as V1 and V2 splits between the boroughs.

Figure 3-2: Parameter Plan



- 3.16 The Earls Court Development will deliver up to 1,500 PBSA bedrooms and 1,000 Co-living homes. 30 PBSA bedrooms and 40 Co-living units will be allocated to RBKC due to the part of the Development Zone that crosses the borough boundary as outlined above. These are potential uses that may come forward in Development Zone V. On this basis, this housing statement includes only brief analysis of the PBSA and co-living proposals and the benefits of these to London. Further detail on these elements is available within the submitted LBHF Housing Statement.
- 3.17 Final details and distribution of each of these types (if proposed to be provided) will be confirmed with future Reserved Matters Applications. The affordable housing mix will include Social Rent, Intermediate Rent and Intermediate Home Ownership tenures, meeting or exceeding the minimum proportion of each tenure required under London Plan policy H6 Affordable Housing Tenure. The Financial Viability Assessment provides further detail on the testing of the proportion of each affordable housing tenure. Affordable housing will be delivered consistently across each phase of the development, ensuring a mixed and balanced community.
- 3.18 The development proposals within RBKC will deliver a mix of dwelling sizes within the ranges set out below.

Table 3-3- Proposed Unit Type Mix Range (C3 Use homes)					
	Studio	1 Bed	2 Bed	3 Bed	4 Bed
Social Rent	0%	15 – 25%	25 – 45%	30 – 45%	5 – 15%
Intermediate	0 – 10%	25 – 45%	25 – 45%	5 – 20%	0 – 10%
Market	5 – 12.5%	30 – 50%	30 – 50%	5 – 20%	0 – 10%

3.19 As set out in full within this report, the market and affordable housing will provide accommodation suitable for a wide range of household types and sizes, offering a substantial contribution to the currently unmet needs in the local area.

4.0 RBKC Policy Context

4.1 This section of the statement sets out the national and local policy and guidance which has informed the proposed approach to housing delivery.

National Policy

National Planning Policy Framework (2023)

- 4.2 The National Planning Policy Framework (NPPF) 2023 sets out the Government’s planning policies for England and how these are expected to be applied. The NPPF contains national policy on a range of topic areas including decision-taking, viability, affordable housing, design, open space, heritage, and the economy. The “presumption in favour of sustainable development” is a central tenet of the NPPF.
- 4.3 Chapter 11 makes clear that planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions, making as much use as possible of previously developed or brownfield land.
- 4.4 Chapter 6 (Building a Strong, Competitive Economy) emphasises the need to create conditions for economic growth and productivity; planning authorities should address potential barriers to growth and investment, such as inadequate infrastructure and housing, and poor environments. Similarly, Chapter 7 (Ensuring the Vitality of Town Centres) highlights the role of town centres play at the heart of communities, recognising the importance of residential development in ensuring the vitality of urban centres.
- 4.5 Plans and decision-taking should ensure delivery of a wide choice of high-quality homes for a range of needs for today and in the future (paragraph 8(b)). An aim of the NPPF is to reduce reliance on scheme-specific viability evidence, however it is recognised that there will be circumstances where this is necessary, and that the decision maker should have regard to the circumstances in the case (paragraph 58).
- 4.6 The NPPF defines affordable housing as “housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)” and complies with the relevant definitions:
- **Affordable housing for rent:** housing let by a registered provider (with the exception of BtR) at rents set in accordance with Government policy or is at least 20% below market rents, and includes provision to remain affordable for future eligible households.
 - **Affordable routes to home ownership:** housing for sale available to those who cannot achieve home ownership through the market, with one such route being Shared Ownership.
- 4.7 The NPPF sets out an expectation that 10% of homes should be delivered for affordable home ownership, unless this would exceed the level of affordable housing required in the area or significantly reduce the identified housing needs of specific groups (paragraph 66).

Planning Practice Guidance (PPG)

- 4.8 The PPG provides guidance on First Homes, a type of discounted market sale housing, which meet the NPPF definition of affordable housing and: a) are discounted by a minimum of 30% against market value; b) are sold to a household meeting the criteria; c) will have a restriction registered on the title at first sale to ensure the discount (and other restrictions) are passed on at re-sale; and d) the discounted price can be no higher than £420,000 in London. Government expects that First Homes should account for at least 25% of all affordable housing delivered through planning obligations (PPG: First Homes).
- 4.9 The PPG also makes clear the need to assess the requirements of different groups and plan accordingly for different types of housing in addition to general housing including, but not limited to: affordable housing, housing for older people, and housing for those who wish to rent privately (build to rent).
- 4.10 The PPG states as part of the plan making process, local planning authorities should use a local housing need assessment to take into account the need for a range of housing types and tenures in their boroughs. The assessment will enable an evidence-based planning judgement to be made about the need for Build to Rent homes, and how they can meet the housing needs of different demographic and social groups.
- 4.11 The PPG states that affordable housing on Build to Rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents.
- 4.12 The document goes on to state authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:
- The overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);
 - The extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and
 - The anticipated deliverability of different forms of provision, having regard to viability.
- 4.13 Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as “market signals”), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.
- 4.14 The PPG provides guidance on the need to provide housing for older people, which is increasingly critical. People are living longer lives and the proportion of older people in the population is increasing. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.
- 4.15 Plan-makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish.

Regional Policy

The London Plan

- 4.16 The London Plan 2021 provides the overarching strategic planning framework for London. Increasing the supply of housing is central to the London Plan; Policy H1 sets a 10-year target for net housing completions of 4,480 for RBKC.
- 4.17 Policy directs Boroughs to ensure housing targets are met by optimising the potential for housing delivery on all suitable and available brownfield sites through their Development plans and decisions, in particular via the following sources of capacity:
- Sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m distance of a station or town centre boundary
 - Mixed-use redevelopment of car parks and low-density retail parks and supermarkets
 - Housing intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses
 - The redevelopment of surplus utilities and public sector owned sites
 - Small sites (see Policy H2 Small sites)
 - Industrial sites that have been identified through the processes set out in Policy E4
- 4.18 Policy H4 sets a strategic target for 50% of all new homes delivered across London to be genuinely affordable. Developments are expected to maximise the delivery of affordable housing and make the most efficient use of available resources to contribute towards the strategic target.
- 4.19 Policy H6 prescribes the tenure mix of affordable housing, requiring:
- At least 30% low-cost rent (Social Rent or London Affordable Rent)
 - At least 30% intermediate (including London Living Rent and Shared Ownership); and
 - The remaining 40% to be determined by the borough as low cost rented homes or intermediate homes based on identified local need.
- 4.20 Policy H13 states that:
- A. Boroughs should work positively and collaboratively with providers to identify sites which may be suitable for specialist older persons housing taking account of:
- 1) local housing needs information including data on the local type and tenure of demand, and the indicative benchmarks set out in Table 4.3
 - 2) the need for sites to be well-connected in terms of contributing to an inclusive neighbourhood, having access to relevant facilities, social infrastructure and health care, and being well served by public transport
 - 3) the increasing need for accommodation suitable for people with dementia.
- B. Specialist older persons housing provision should deliver:
- 1) affordable housing in accordance with Policy H4 Delivering affordable housing, and Policy H5 Threshold approach to applications
 - 2) accessible housing in accordance with Policy D7 Accessible housing
 - 3) the highest standards of accessible and inclusive design in accordance with Policy D5 Inclusive design

- 4) suitable levels of safe storage and charging facilities for residents' mobility scooters
- 5) pick up and drop off facilities close to the principal entrance suitable for taxis (with appropriate kerbs), minibuses and ambulances.

4.21 Policy H15 sets a requirement for 3,500 PBSA bed spaces to be provided annually over the Plan period. The policy also sets out the requirements for PBSA in the London Plan.

4.22 Policy H16 applies to large scale purpose built shared living housing and the requirements of delivery for such schemes.

Homes for Londoners Affordable Housing and Viability SPG (2017)

4.23 The supplementary planning guidance (SPG) focuses on affordable housing and viability, the SPG has been replaced by the London Plan but contains practical advice on application of viability.

4.24 The Mayor is committed to increasing the level of affordable housing delivered through the planning process. To achieve this, Policy H4 of the London Plan sets out a strategic target that half of new homes should be affordable. The Mayor has also introduced the Threshold Approach to affordable housing through Policy H5 of the London Plan and Affordable Housing and Viability Supplementary Planning Guidance (SPG).

Fast Track Route

4.25 Applications that meet or exceed 35% affordable housing provision without public subsidy, provide affordable housing on-site, propose an agreed tenure mix, and meet other planning requirements and obligations to the satisfaction of the LPA and the Mayor where relevant, are not required to submit viability information. Such schemes will be subject to an early viability review, but this is only triggered if an agreed level of progress is not made within two years of planning permission being granted (or a timeframe agreed by the LPA and set out within the S106 agreement).

4.26 The Mayor's preferred affordable housing tenure mix includes a range of products to meet different needs – principally low cost rented accommodation to meet general needs, and London Living Rent and Shared Ownership to meet intermediate needs.

Local Policy

RBKC Local Plan Partial Review (2019)

4.27 The Council issued its Local Plan Partial Review in 2019. Policy CP1 confirms that the Council seek to meet and exceed the 2016 London Plan target for new homes in the borough, which is currently a minimum of 733 net additional dwellings a year. The supporting text notes that the London Plan Strategic Housing Land Availability Assessment (SHLAA) was in the process of being updated at the time of writing, and the housing capacity of the borough "will be reviewed accordingly". Earls Court (comprising the Earl's Court Exhibition Centre and Warwick Road sites) are allocated for development.

4.28 Policy CH2 requires a minimum of 35% of homes to be affordable, of which 50% should be intermediate (comprising a minimum of 10% affordable home ownership) and 50% social/affordable rent housing. Developments proposing 35% affordable housing are not required to submit a financial viability appraisal.

4.29 The Council recognises the role of Build to Rent and provides guidance on delivery in Policy CH4.

- 4.30 Policy C1 Infrastructure Delivery and Planning Contributions states: *“In determining what planning obligations would make development acceptable in planning terms, account will be taken of the proposed development, individual characteristics of the site, the infrastructure needs of the site and the surrounding area, and the London Plan. Proposals that form part of potentially wider sites will be assessed in terms of the capacity of the site as a whole. The viability of the development will also be taken into account. Where the development is unable to deliver all the policy requirements for reasons of viability or where enabling development is necessary to bring development forward, a viability study will be required to accompany the planning application. S106 contributions will be reviewed in the context of this viability study. The applicant will fund the independent assessment of the viability study, or other technical studies requiring independent assessment, prior to the application being determined.”*

RBKC Reg 19 Local Plan (2022)

- 4.31 Policy HO1 of the Draft Local Plan seeks to meet and exceed the 2021 London Plan target, which at the time of writing is 4,480 new homes over a 10-year period (reduced from the 2016 London Plan 10-year target of 7,330 homes). This will be achieved by delivering 1,500 homes in the first five years of the Local Plan (an annual target of 300 homes) and 2,980 homes in years six to ten.
- 4.32 Policy HO3 confirms the Council will seek to maximise the provision of affordable housing on qualifying sites. The Threshold Approach to Viability (as set out in the London Plan) is applicable; developments should deliver at least 35% affordable housing (on a floorspace basis) and meet other relevant policy requirements.
- 4.33 RBKC uses the term Community Housing to describe genuinely affordable housing. This comprises Social Rent, London Affordable Rent and London Living Rents at the lowest ward level. Other forms of affordable housing as defined in the NPPF can also be provided as long as they cater to a wide range of income levels below the maximum cap of £90,000 for intermediate homes.
- 4.34 Policy HO3 requires an adjusted tenure split requirement for 70% Social Rent (preferred) or London Affordable Rent and 30% Intermediate. First Homes are required only in North Kensington where the price cap is not exceeded.
- 4.35 Examination of the emerging Local Plan has taken place and modifications to the plan proposed. The emerging Local Plan carries significant weight given the stage at which it has reached and will likely be adopted in the near future. Main Modification 109 amends Policy HO3 D to recognise community housing to be delivered on habitable room basis.

Community Housing SPD (2020)

- 4.36 Following consultation, the Council adopted the term ‘RBKC Community Housing’ in lieu of Affordable Housing. The products within RBKC Community Housing are Social Rent, Affordable rent (at London Affordable Rent levels) and Intermediate rent at the lowest London Living Rent (LLR) levels in the borough.
- 4.37 The SPD confirms that Discounted Market Rent, Shared Ownership, and other affordable routes to home ownership can be acceptable, provided they are considered to be affordable.
- 4.38 The SPD confirms the tenure split requirement for 70% Social Rent (preferred) or London Affordable Rent and 30% Intermediate.

Planning Contributions SPD (2019)

- 4.39 The SPD confirms that where proposals for development accord with all the relevant policies in an up-to-date development plan, no viability assessment will be required to accompany the application. Where the need for a viability assessment is justified by an applicant, it should reflect the recommended approach in the PPG (including standardised inputs) and the GLA Affordable Housing and Viability SPG², and should be made publicly available.

² GLA Affordable Housing and Viability SPG not by the London Plan

5.0 RBKC Local Housing Context

Housing Delivery

5.1 The housing trajectory for RBKC is shown below and relates to the 2016 London Plan target ranging from 585 homes in 2011/12 to 733 in 2015/16. The 2021 London Plan target reduces the requirement for RBKC to deliver 4,480 homes over its 10 year period, requiring 448 per year from 2021/22 to 2028/29. The RBKC Local Plan Policy CH1 sets a housing requirement (as required under the London Plan 2016) of 733 new dwellings per annum to be provided in RBKC between 2016 and 2035.

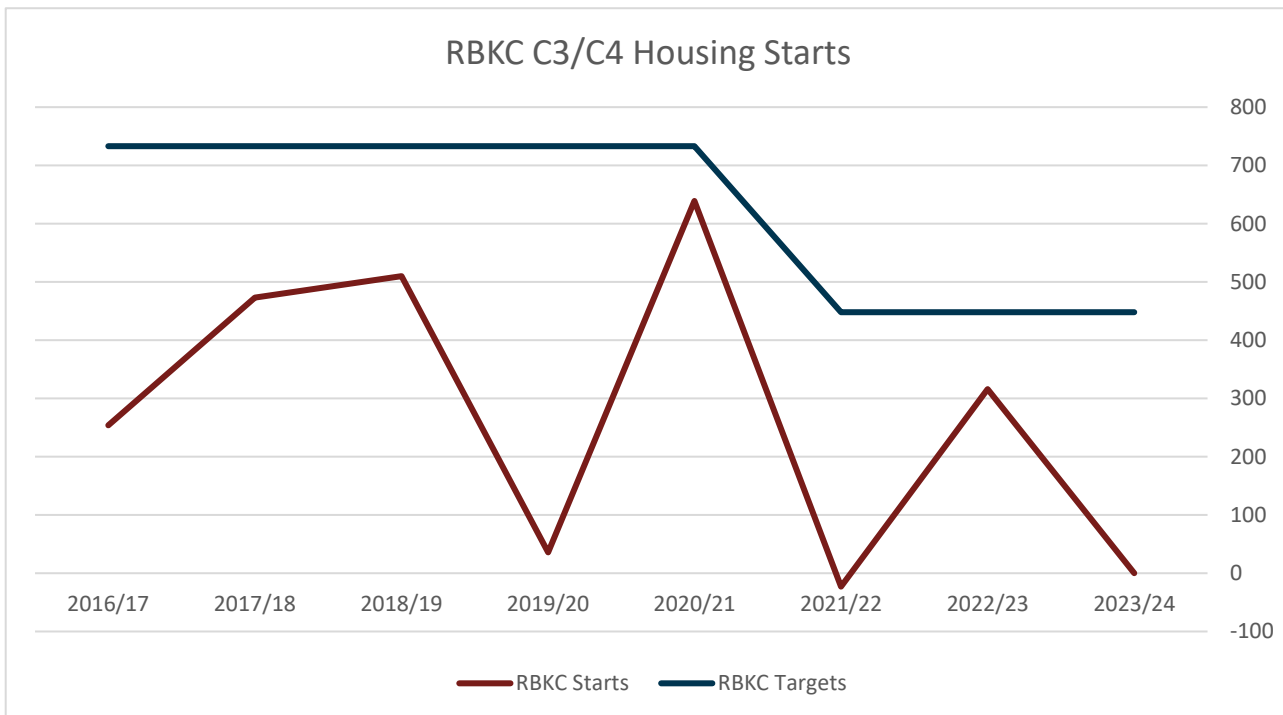
5.2 Delivery over this period to date is set out in Table 5-1 below, as evidenced in the latest Residential Completions recorded by the Greater London Authority (GLA).

Table 5-1- RBKC Housing Delivery – Completions vs London Plan requirement			
Year	Annual Requirement	Net Completions	% of Requirement
2011/12	585	-221	-38%
2012/13	585	-559	-96%
2013/14	585	547	94%
2014/15	585	791	135%
2015/16	585	290	50%
2016/17	733	186	125%
2017/18	733	-22	-3%
2018/19	733	-5	-1%
2019/20	733	870	119%
2020/21	733	11	2%
2021/22	448	183	41%
2022/23	448	208	46%
Total	7,486	2,279	30%

Source: Greater London Authority, 2024

- 5.3 The housing delivery 2011/12 to 2022/23 has been inconsistent, with RBKC only meeting/exceeding the annual target for three years (2014/15, 2016/17, 2019/20). This has resulted in a shortfall of 5,207 homes. The housing targets set out in the London Plan require the borough to deliver a further 2,688 homes for the remainder of the Plan period (up to 2029)³. Accounting for this, RBKC is required to deliver 7,895 homes to avoid falling short of the housing target.
- 5.4 Looking forward, GLA data presented below shows that the number of homes that have started on site is well below the borough’s target, reflective of the ongoing challenging economic environment. Over the last five years there has been a chain of events which has conspired to reduce activity in the market, this includes:
- **COVID-19**: multiple lockdowns stretching over a two year period which stalled activity.
 - **Cost inflation**: the rising cost of building materials impacting the viability of delivering schemes resulted in schemes being put on hold.
 - **Fire safety regulations**: changes to policy delaying schemes at the plan making stage, requiring amendments to planning applications.
 - **Interest rates**: rising/high interest rates has added significant costs to schemes with developers holding out until there is certainty in the market.
- 5.5 Early action is required to increase the amount of consented land with willing and capable developers to avoid a substantial reduction in housing completions over the next two to five years, as the lack of starts today works through the system.

Figure 5-1- RBKC Housing Starts



Source: Greater London Authority, 2024

- 5.6 The delivery of housing across London more widely has consistently fallen short of targets, achieving an average of 85% since 2011/12 and having not met the London Plan requirement since 2016/17. The shortfall over this time period amounts to c.72,000 homes. The identified need for new homes in

³ NB the present day total will be slightly lower as this does not account for homes delivered in 2023/24.

London is 66,000 per year (as in the GLA SHMA 2017) and the 2021 London Plan identifies a target of 52,000 new homes per year over the 10 year period. A significant step change in delivery of homes across the city is essential in order to deliver the homes that Londoners need. The London Plan annual target of 52,000 homes is considerably lower than the 66,000 homes identified in the SHMA, a significant shortfall when factoring in the cumulative shortfall in delivery from 2011 to 2017.

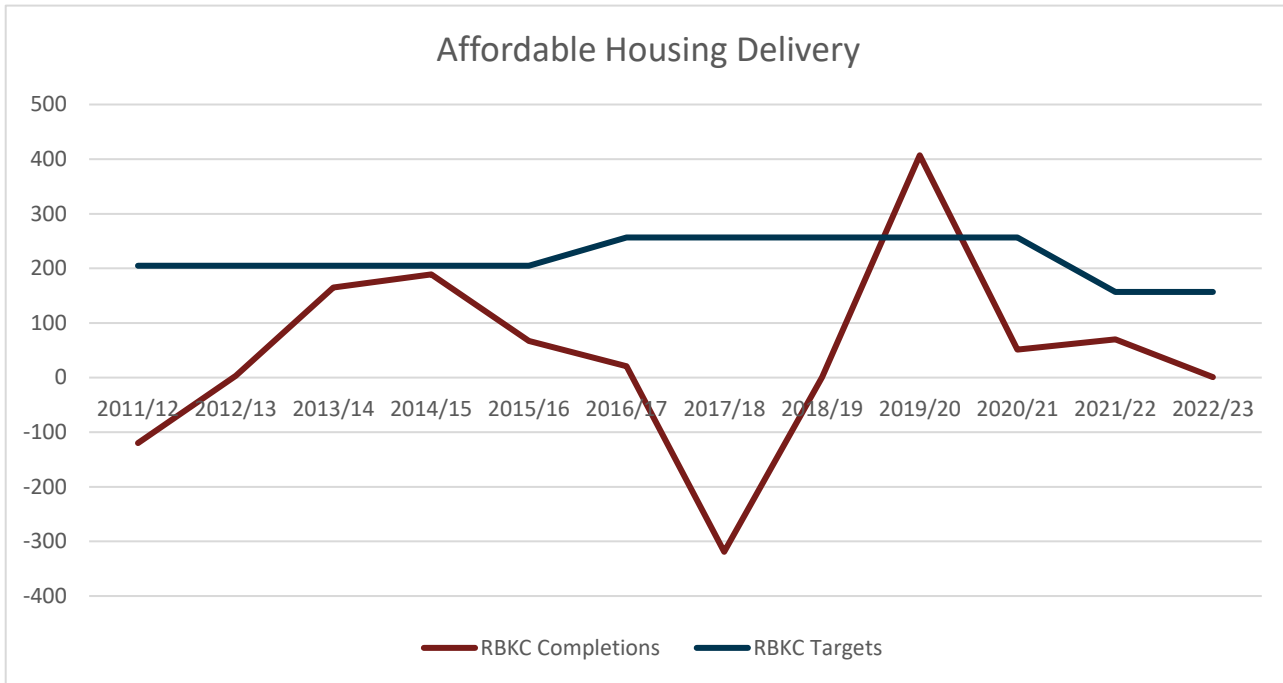
Table 5-2- London Housing Delivery			
Year	Annual Requirement	Net Completions	% of Requirement
2011/12	32,210	29,622	92%
2012/13	32,210	28,967	90%
2013/14	32,210	26,863	83%
2014/15	32,210	31,531	98%
2015/16	32,210	38,450	119%
2016/17	42,388	43,537	103%
2017/18	42,388	30,996	73%
2018/19	42,388	36,095	85%
2019/20	42,388	32,343	76%
2020/21	42,388	33,386	79%
2021/22	52,287	38,070	73%
2022/23	52,287	36,464	70%
Total	477,564	406,324	85%

Source: Greater London Authority, 2024

Affordable Housing Delivery

5.7 Figure 5-2 shows that delivery of affordable homes in RBKC has consistently not met the London Plan targets, achieving only 21% of the requirement between 2011 to 2023.

Figure 5-2- Affordable Housing Delivery



Source: Greater London Authority, 2024

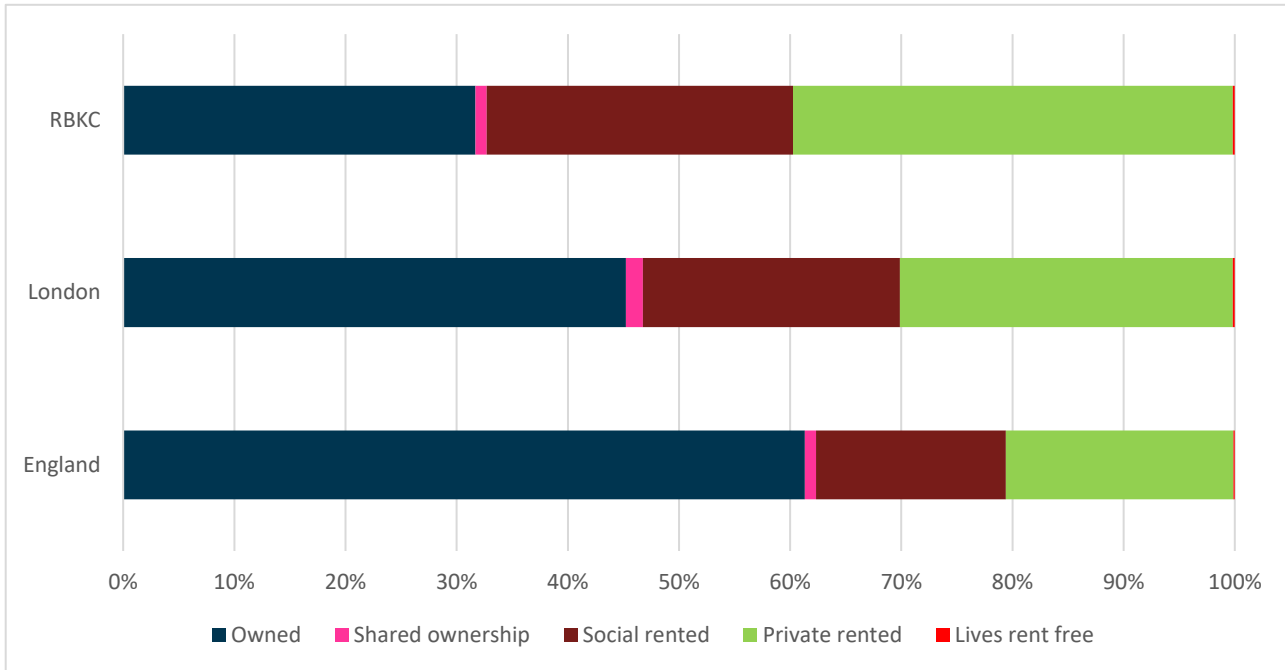
- 5.8 Whilst the annual target has reduced over the course of the plan period, there has also been a downward trend (with the exception of year 2019/20) in affordable housing delivery resulting in a greater cumulative shortfall each year, with the shortfall to date being 2,279 affordable homes.
- 5.9 The 2022 Local Housing Needs Assessment (LHNA) evidenced a need of 7,635 affordable homes required by the end of the Plan period, this reflects a net annual need of 1,018 affordable homes in the borough.
- 5.10 The affordable housing completions data presented in Figure 5-2 indicates that there is a considerable shortfall in the delivery required to meet need for affordable housing. Over the period 2018-23 there were 1,267 completions, of which 29% were affordable. Of these affordable completions where the tenure was known, 91% were for Social Rent and 9% were Intermediate products.

Existing Housing Stock

Tenure

- 5.11 As illustrated in Figure 5-3, London has a lower proportion of home ownership (45%) compared to the national average (61%). Ownership in the borough (32%) is even less common, with private renting being the dominant tenure (40%), complemented by a relatively high proportion of social rented homes (28%). The proportion of intermediate homes is very small across all areas, accounting for 1% of households.

Figure 5-3- Household Tenure



Source: Census, 2021

5.12 Between the 2011 and 2021 censuses, the majority of growth in London and RBKC was concentrated in the private rented sector (PRS), followed by increases in the proportion of those living rent free (typically individuals who are living with parent as a result of affordability) and in social rented homes, demonstrating more people in the borough are reliant on affordable housing. The proportion of households in owner occupation or shared ownership tenures decreased. The large proportion of PRS housing correlates to RBKC’s younger age profile: Census data reveals that 16-34 year olds make up more than a third (39%) of all households who are privately renting.

	2011	2021	Difference
Owned	36%	32%	-4%
Shared ownership	1%	1%	0%
Social rented	25%	28%	+3%
Private rented	36%	40%	+4%
Lives rent free	3%	0%	-3%

Source: Census, 2021

5.13 The growth of the PRS is likely due to a combination of pull factors (changing lifestyles that favour renting) and push factors (lack of social housing, worsening affordability and/or availability of market sale housing, and insufficient supply of intermediate housing). Following the easing of the Covid-19

restrictions, there was an unprecedented scale of pent-up demand for rented homes in London which has continued to increase since the 2021 Census⁴.

- 5.14 At the same time, the supply of non-purpose built rental housing is falling as many shared private rental homes have been removed from the market due to changes in taxation and rising mortgage costs. Recent analysis by CBRE⁵ estimated on a net basis, approximately 273,500 rental properties were sold between 2016 and 2021 across the UK. And since the start of 2022, when the Bank of England began increasing the base rate, it is estimated that a further 126,500 rental properties have been sold (to July 2023). This is supported by research by the GLA, which found that the number of private rental properties available to rent in London has fallen substantially with competition among renters to secure rental properties reaching a peak in the third quarter of 2022. According to the Rightmove rental index for the third quarter of 2022, a 24% drop in new listings coming to the market for rent in London since mid-2020 and is significantly lower than before the pandemic⁶.
- 5.15 Where there is rapid growth in demand for PRS housing that outstrips dwindling supply, the result is in considerable increases in rental values, overcrowding and increased prevalence of poor-quality accommodation. Rightmove data reports the growth in rents of 15.7% between early 2021 and late 2022 puts increasing pressure on private renters in London, contributing considerably to the cost of living crisis as renters attempted to adjust to higher housing costs (see further detail on rental affordability at paragraph 5.40).
- 5.16 In addition to more general long-term affordability pressures, the pandemic and the Cost of Living crisis have worsened affordability and increased the risk of eviction for renters, due to reasons including higher living costs and lack of job security resulting in increased rent arrears. In late 2022, 40% of London's renters reported being likely to struggle to meet rent payments in the next six months (YouGov 2022).

Occupancy

- 5.17 Table 5-4 shows how the housing stock in RBKC is occupied. Table 5-4 RBKC Occupancy by Tenure (Census 2021).

Occupancy Rating	Owned	Private Rented	Social Rented
+2 or more bedrooms	7,155	2,738	1,001
+1 bedroom	8,127	7,819	3,351
+/- 0 bedrooms	5,797	14,385	11,088
-1 bedrooms	788	1,645	2,991

Source: Census, 2021

⁴ GLA Housing Research Note 9: Understanding recent rental trends in London's private rented market

⁵ Why are landlords leaving the rental market? CBRE, July 2023

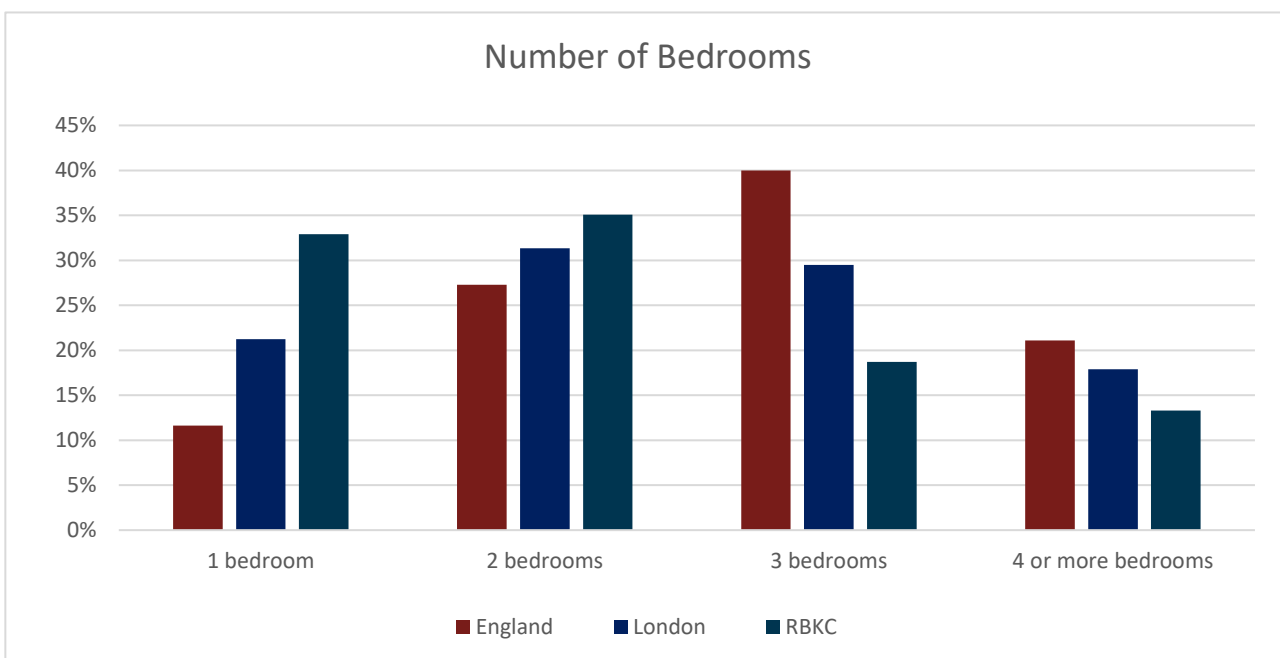
⁶ GLA Housing Research Note 9: Understanding recent rental trends in London's private rented market

- 5.18 Census data demonstrates 45% of households in the borough are under occupying their homes, with 16% of households reported to have +2 or more bedrooms not occupied and 29% of household with +1 bedroom unoccupied. The data also considers 19,297 households (45%) are fully occupied and only 8% of households in the borough are over occupied.
- 5.19 The data suggests a large percentage of households in the borough are under occupied, and where these households are older they are likely to be living in homes which are no longer suited to their current needs/requirements. There can be a multitude of reasons as to why households are significantly underutilised, one factor being a limited selection of housing that encourages 'rightsizing' in the vicinity and not wanting to leave their community for various reasons. Delivery of unit mixes that meet identified market needs can facilitate 'rightsizing' and the most efficient use of the existing stock, helping to reduce the overall housing need.
- 5.20 The data above highlights high levels of overcrowding in the PRS – 1,645 households who are privately renting are classed as overcrowded across RBKC (6% of the PRS). Overcrowding is likely to have increased further since 2021 particularly in the PRS as a result of affordability constraints, increased migration and the proliferation of HMOs.
- 5.21 Prevalence of poor-quality accommodation in the PRS is high, and the sector is also faced with amateur/absentee landlords, poor management/maintenance and unsecure leases. The English Housing Survey (2023) has consistently found that the PRS has the highest proportion of inadequate housing and 21% of private rented homes failed to meet the Decent Homes Standard in 2022-23.

Housing Type

- 5.22 London's housing stock is generally made up of smaller homes, as opposed to the national picture where larger homes are more common. Within RBKC, the housing stock generally comprises smaller properties and less family housing, which is typical for local authorities closer to central London.

Figure 5-4- Unit Type



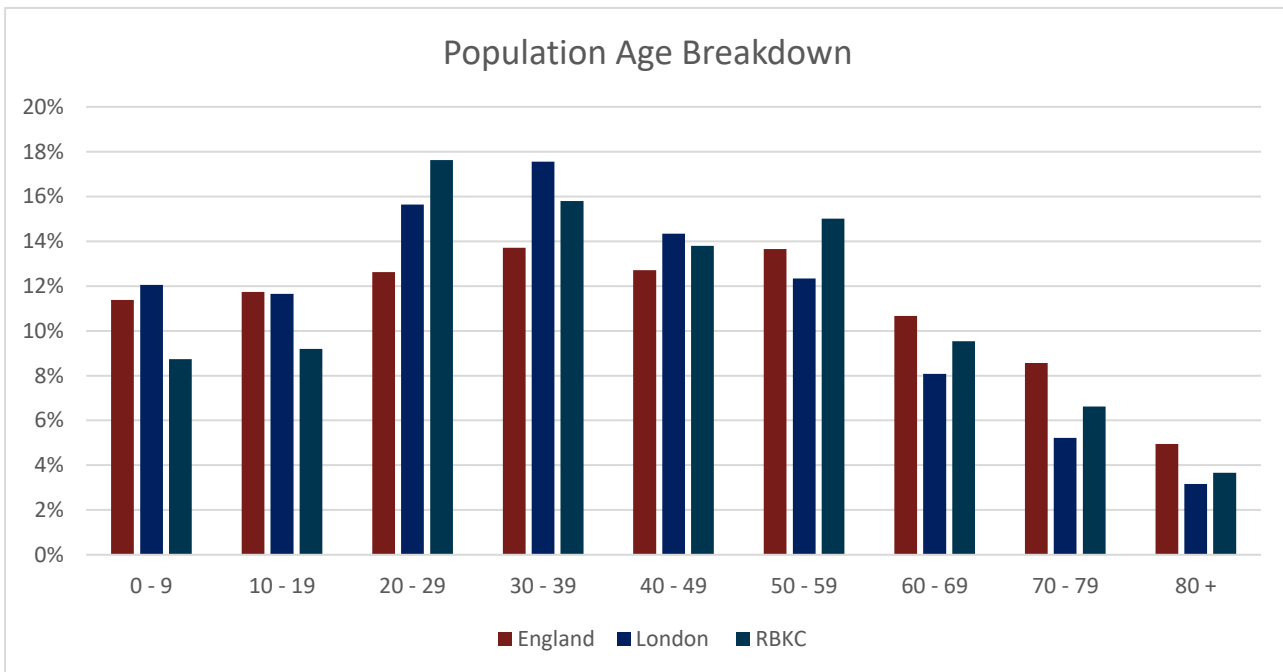
Source: Census, 2021

Demographics

5.23 The population of London grew by 7.7% to 8,799,723 between 2011 and 2021 (Census 2021), an increase of nearly 625,782 people over 10 years. The population of England grew by 6.6% over the same period. In respect of growth in RBKC since the 2011 Census, the population reduced by 9.62% (15,273 persons)⁷.

5.24 London has a younger population than England as a whole, the largest age cohort being age 30-39 which account for 18% of the city's population, as illustrated in Figure 5-5. In terms of RBKC, the data demonstrates the borough has a high percentage of 20-29 year olds making up 18% of RBKC's populace (2% higher than London). The older population (50+) is consistently above the London average (and projected to increase) while the percentage of 0-19 year olds is consistently lower than the London average and is forecasted to decline.

Figure 5-5- Population Age

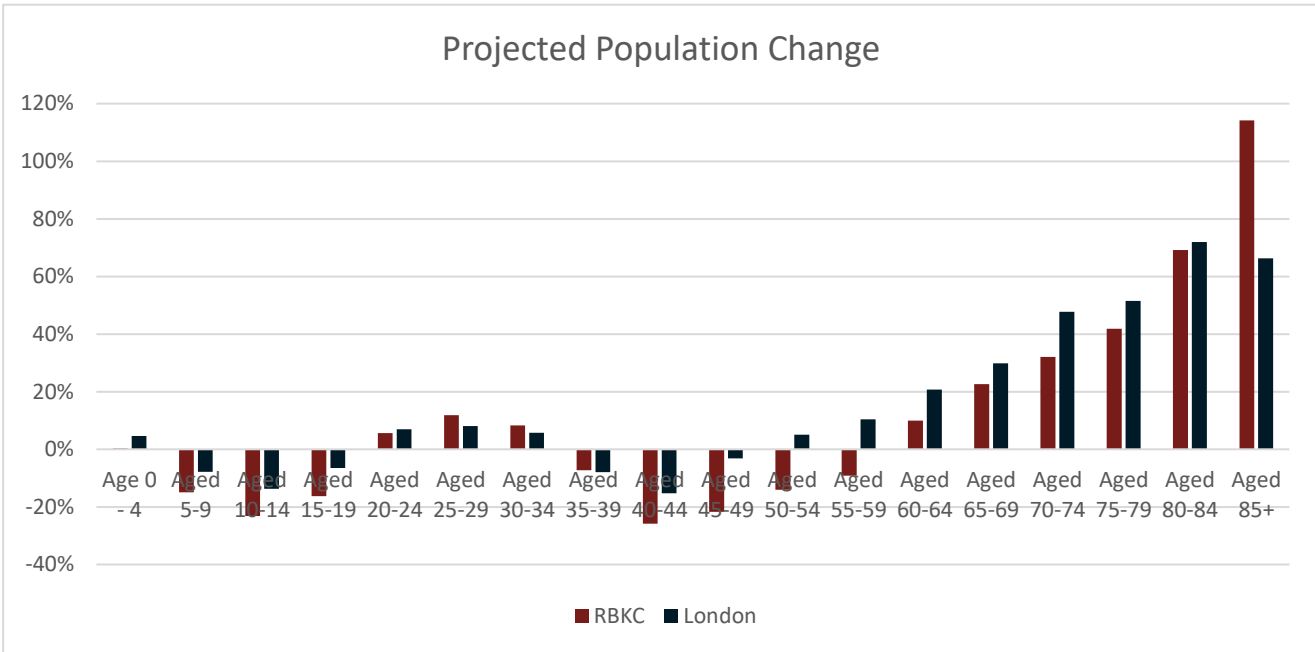


Source: Census, 2021

5.25 According to ONS data, the population of RBKC is projected to increase by c.1,900 (1%) individuals from 155,995 to 157,887 between 2024 and 2043.

⁷ A probable reason for the small population reduction in the borough is as a result of the timing of the Census data collection during the COVID pandemic which saw a trend of London residents moving out of London to commuter towns.

Figure 5-6- Projected Population Change (2024 – 2043)

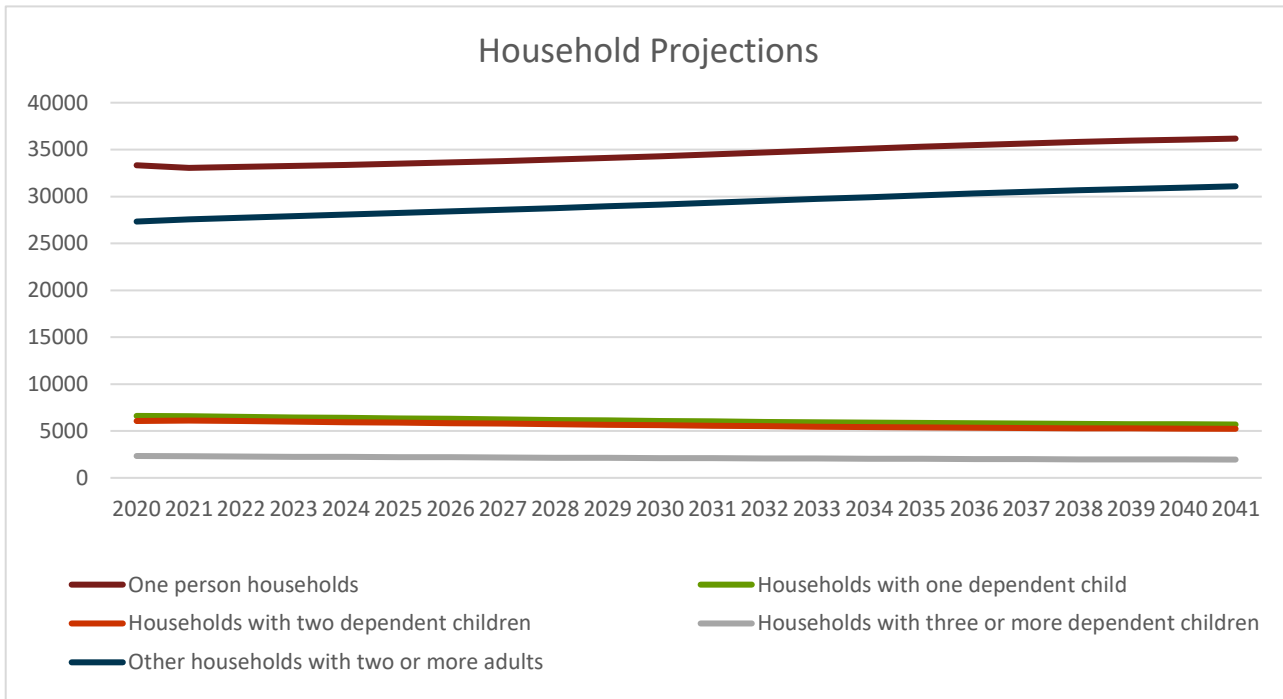


Source: ONS

- 5.26 Over the next 20 years, the vast majority of the projected net population growth will be driven by people aged 60 and above. The size of the borough’s older population is expected to grow by at least 32% between 2024 and 2043, by which point there will be c.49,500 people aged 60 and above living in the borough, an increase of 12,100 older residents.
- 5.27 There is also some minor growth expected in younger adult households aged 20-34. Meanwhile, the total population growth hides the decrease in working age households aged 35 to 59, which is greater in relative terms than the regional trend.
- 5.28 A loss of working age households is typically caused by improved economic opportunities elsewhere or challenges with current living arrangements. However, in London, it is unlikely that a move would be due to better employment opportunities elsewhere. Instead, a lack of suitable housing including affordable housing is a likely cause of a net outmigration of younger households. This is especially the case for young families where there are constraints on affordability and availability of appropriate housing stock.
- 5.29 As presented in Figure 5-7 below, between 2020 and 2041 one person households and other childless households are expected to see the greatest increase, driven by the growing number of both young and older households.
- 5.30 Census data implies residents aged 65+ in one person households make up 12% of the households in the borough. This reinforces the view that older people are occupying houses/flats, which can be too large for their current needs, but don’t have anywhere suitable to move to.
- 5.31 It is forecast that by 2043 the number of single person households in RBKC will increase by a further c.2,800 households (an increase of 9%). It is also anticipated that there will be a significant rise in the number of co-habiting adults (with no dependent children), equating to an additional 3,758 households

– an increase of 14%. A significant proportion of future need is therefore anticipated to be for 1 and 2 bed properties to accommodate the growing number of smaller households.

Figure 5-7- Household Projections



Source: ONS, 2018

RBKC’s Older Population

5.32 As demonstrated above, the size of RBKC’s older population is expected to increase dramatically. This is reflective of the UK’s ageing population, driven primarily by improvements in life expectancy and declining fertility, and intensified by the ageing baby boomer generation that is now reaching retirement age. The table below quantifies the projected increase in the older population showing that by 2040 there will be an additional 10,600 people over the age of 65 in the borough.

Age Bracket	2023	2025	2030	2035	2040
People aged 65-69	7,300	7,800	9,000	9,300	9,200
People aged 70-74	6,600	6,400	7,200	8,400	8,600
People aged 75-79	5,900	6,200	5,800	6,500	7,600
People aged 80-84	3,800	4,100	5,100	4,900	5,500
People aged 85-89	2,300	2,500	3,100	3,800	3,700
People aged 90 and over	1,500	1,700	2,200	2,700	3,400

Total population 65 and over	27,400	28,700	32,400	35,600	38,000
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5.33 With a rapidly ageing population comes associated chronic challenges relating to health and wellbeing. By 2040 in RBKC there will be:

- 12,592 over 65s living alone (+3,700 from 2023);
- 11,232 over 65s needing help with at least one self-care activity (+3,470);
- 8,136 over 65s with a limiting illness whose day-to-day activities are limited a little (+2,400) and 7,773 whose activities are limited a lot (+2,474);
- 3,137 over 65s living with dementia (+1,174); and
- 10,586 over 65s will have at least one fall in a year (+3,259)⁸.

5.34 These health and social issues impact on the housing needs of older people; where and how a person lives is fundamental to ensuring that they can remain healthy, active and independent in later life. Older people often spend a higher proportion of their time at home than at other times in life. However, the UK’s housing stock is one of the oldest in Europe and is not suitable to accommodate the ageing population: less than 10% of homes meet basic accessibility standards. Millions of older people are living in homes that are cold, damp, prone to overheating, unsafe, or unsuitable for their needs, which can lead to reduced mobility, depression, chronic and acute illness, falls and social isolation.

5.35 Local and central government are increasingly cognisant of the importance of delivering older persons housing, and there is no doubt that the market is responding at a national level (albeit from a low baseline) – the volume of investment and capital targeting the senior living market has continued to grow despite macroeconomic uncertainties, and the rate of delivery has been fast increasing – in 2022/23 there were 39,000 senior living units in the pipeline (up from 31,000 the previous year)⁹. However, the scale of the existing shortfall means the market is still far behind and cannot keep up.

5.36 The 2022 Local Housing Needs Assessment (LHNA) undertook an assessment of additional older persons housing need to 2040, calculating a total of 3,030 and broken down as shown in Table 5-6.

Table 5-6- RBKC LHNA Older Persons Housing Need	
Tenure	Number of Additional Units Required by 2040
Sheltered Housing – Affordable	549
Sheltered Housing – Leasehold	2,291
Extra Care – Affordable	67
Extra Care – Leasehold	123
Total	3,030

⁸ Projecting Older People Population Information System. Accessed 16th June 2024.

⁹ Knight Frank Seniors Housing Annual Review 2022/23.

5.37 RBKC’s assessment of need shows understanding of the need for private leasehold specialist housing as well as affordable speciality older persons housing. Public policy has traditionally focused on the needs of older households who require affordable specialist housing and, as a result, delivery was historically concentrated in this sector – social renting accounts for 72.6% of all older persons housing. However, the vast majority of homeowners will not be eligible for affordable specialist housing and it is therefore critical that additional private supply is made available to meet this need. The existing supply and future pipeline of market retirement housing falls far short of the identified need to achieve equity of tenure options and meet the overall scale of need. Importantly, meeting this need enables those who are under occupying to find more appropriately sized accommodation, releasing their property to meet wider market need.

Affordability

5.38 The LHNA reports RBKC is the most expensive borough to buy a home in London and England. The current median price is £1,317,500, and lower quartile is £735,000. ONS data based on the median of both house prices and earnings recorded an affordability ratio of 25.36 (up from 16.48 in 2011) in RBKC this is considerably higher than any local authority and (indicating housing is less affordable) in comparison to the regional ratio of 12.66 and the nationwide ratio of 8.18. The lower quartile relationships are similar. On both these measures RBKC is the least affordable borough in London, by some distance.

5.39 High house prices relative to earnings mean that first-time buyers and key workers cannot afford to buy a property on the open market in half a mile radius of the site. The household income required for market sale housing ranges from c.£91,000 for a studio flat to c.£537,000 for a 4 bed (income required is calculated as housing costs being 35% of income).

Table 5-7- Market Affordability within ½ mile radius of the site (Property Data, June 2024)

Type	Market Rent*	Income Requirement	Market Sale*	Income Requirement
Studio	£1,673	£81,943	£390,000	£91,985
1 bed	£2,500	£122,449	£610,000	£143,496
2 bed	£3,419	£167,461	£1,030,000	£238,623
3 bed	£5,492	£268,996	£1,690,000	£388,015
4 bed	£7,897	£386,792	£2,530,000	£537,406

*Market rents are based on local area (within ½ a mile radius of the Earls Court Site) asking prices and therefore reflect a range of typologies / quality standards within each unit type

5.40 As explored earlier within this section, as demand has outstripped a dwindling supply of PRS homes; rents have increased dramatically. According to Rightmove data, average advertised rents in London reached £2,480 per month in Q4 2022, an annual increase of 15.7% (slightly lower the biggest ever annual rental increase in any region of 16.1% in Q3). Since the end of the Covid-19 lockdowns, rents have increased rapidly in London, with annual increases peaking at 21.1% in Inner London in Q2 2022. In London, the average advertised rent in Q4 2022 was £2,480 per month, compared to £2,119

in Q4 2019. Since Q3 2020 when the data for Inner/Outer London began, in Inner London rents have risen from £2,288 to £3,010, whilst in Outer London they have risen from £1,731 to £2,089¹⁰.

- 5.41 Research by the GLA¹¹ found that boosting the supply of market housing helps to relieve affordability pressures locally: *“building new market-rate homes makes other housing more affordable. It does so by creating chains of vacancies and moves that can reach across an entire housing market area. These moving chains improve the availability and affordability of housing throughout the range of prices and rents, including for low-income households.”* According to a DLUHC estimate, a 1% increase in the housing stock leads to a 2% fall in house prices (if nothing else changes). Delivery of new homes in RBKC would not only contribute to the availability of additional homes but indirectly contribute to the easing of upward pressure on affordability in the wider market.
- 5.42 The ability to raise a deposit is an additional barrier to accessing home ownership. Households typically need a deposit of 10%, equating to c.£52,500 for a Lower Quartile property. However, 30% of UK adults have less than £1,000 in savings, with an additional 18% having less than £5,000 (FCA Financial Lives Survey 2022). Affordable home ownership therefore also has an important part to play in helping local households onto the property ladder. Unlike market sale housing, tenures such as Shared Ownership homes do not require a large equity deposit and have much lower monthly costs (including mortgage costs and rent paid on unsold equity). As a result, the income required to access Shared Ownership housing is significantly lower than for market sale.

Income

- 5.43 The LHNA carried out an up-to-date estimate of the distribution of gross household incomes in the Borough based on paycheck data from CACI. The data was used to assess the proportion of households unable to afford market housing, threshold costs were determined for a series of housing options. These were:
- Entry level market rents (taken to be the lower quartile private rented sector rent)
 - The average London Living Rent for the Borough published by the Greater London Authority (taken to be indicative of the costs of a range of intermediate housing options)
 - The London Affordable Rent, also published by the Greater London Authority (taken to represent the rent level for Social Housing let at Affordable Rent levels) and
 - The current rent for Social Housing Let by the Borough (taken to be the lowest-cost Social Rented housing available).
- 5.44 On the basis of a comparison of these cost thresholds with the purchasing power of households in need, it is estimated that 1,293 households (80% of the 1,622 households in need) are unable to afford any form of market housing, leaving 20% who could afford to enter the private market. Given the high costs of housing in the Borough, this is unsurprising¹².

¹⁰ GLA Housing Research Note 10: The affordability impacts of new housing supply: A summary of recent research (August 2023)

¹¹ GLA Housing Research Note 10: The affordability impacts of new housing supply: A summary of recent research (August 2023)

¹² Royal Borough of Kensington and Chelsea: Local Housing Needs Assessment, (September 2022)

Housing Register

5.45 As of December 2023, there were 3,019 households on RBKC’s Housing Waiting List, with a bedroom requirement as shown in the Table 5-8 below.

Table 5-8- Housing Waiting List Bedroom Requirement		
Number of Bedrooms	Households in Need	
1 bed	962	32%
2 bed	1,255	42%
3 bed	633	21%
4+ bed	169	6%

5.46 RBKC’s Housing Allocations Policy establishes that, in regard to incomes, applicant(s) for the Housing Register will be eligible where they have a gross income (combined if applicable) no greater than £40,000 - £60,000 depending on the size of property required and savings are less than £30,000.

5.47 Data from the Department of Levelling Up, Housing & Communities suggests that there has been an increase of 11% from 21-22 to 22-23 in the number of households assessed for homelessness in RBKC.

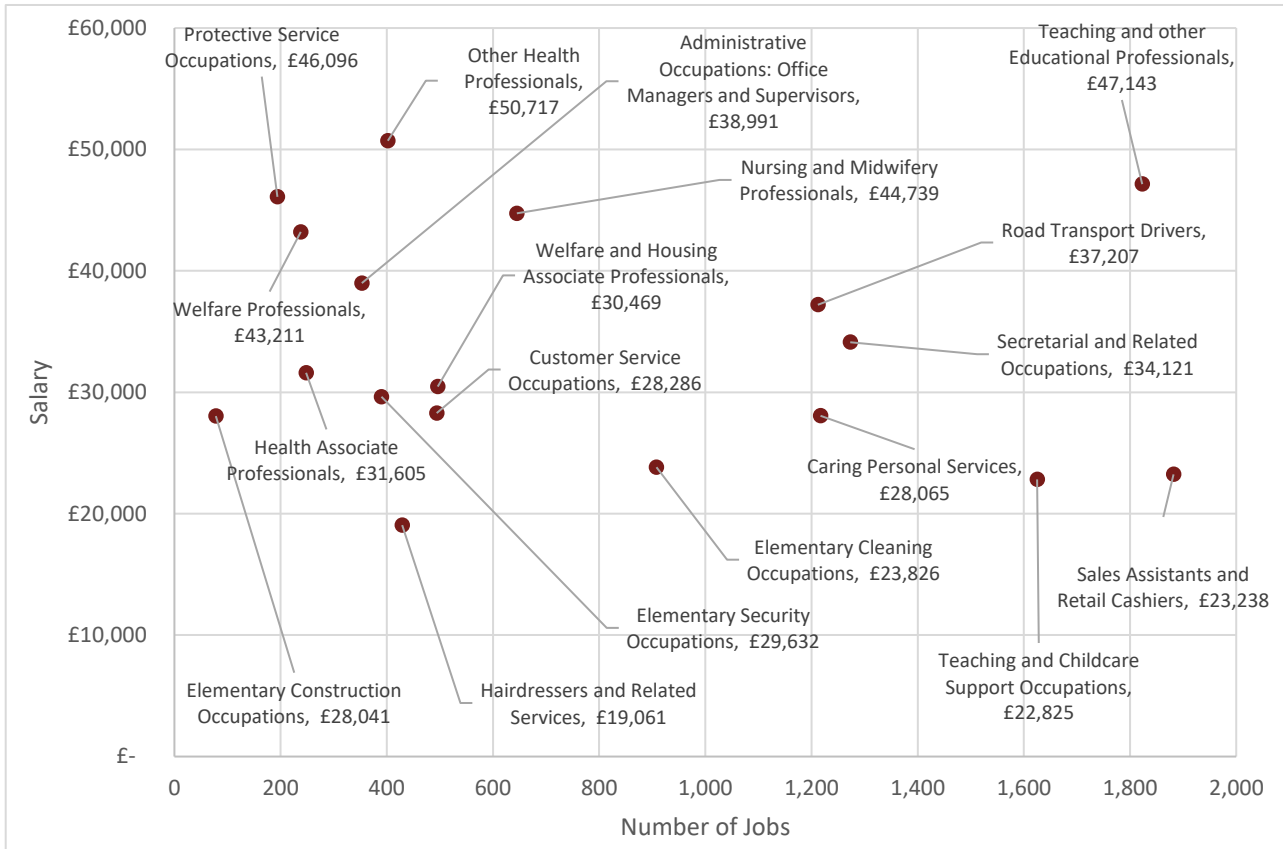
Local and Key Workers

5.48 Providing stable, appropriate, and affordable housing is important for the retention and recruitment of staff and has often been highlighted as a particular challenge for key workers. Key workers span a number of sectors providing essential services; this includes teachers, doctors, nurses, midwives, paramedics, social workers, care workers, other frontline health, educational and social care staff but also wider private sector employees supporting the local community.

5.49 Despite working full time and supporting London’s economic prosperity, young professional and key worker salaries do not enable them to buy or rent a market product of suitable quality in RBKC close to where they work and spend time enjoying the leisure and culture that the city centre has to offer.

5.50 There are c.14,000 individuals working within a range of key worker and enterprise professions in RBKC. Figure 5-8 below provides an indication of the breakdown of the borough’s key worker population by profession and individual incomes, which range from £19,601 to £50,717. Household incomes will often be greater than individual incomes due to couples with dual earners or one full / one part time earner.

Figure 5-8- RBKC Key Workers and Income



Source: ONS, ASHE Data, 2024

5.51 As part of the process of developing the proposals, the Applicant has engaged with a number of health, education, charitable, community and other public service organisations in the area, together employing around 10,000 staff. The applicant has engaged with Full of Life, Fulham Cross Academy and LBHF Primary Care Network, Chelsea and Westminster Hospital/West Middlesex Hospital, HMP Wormwood Scrubs and Her Majesty's Prison and Probation Service (HMPPS).

5.52 Feedback was relatively consistent with organisations noting that:

- Locating housing for new and existing staff is an important internal role, with extensive time required and real challenges finding suitable homes;
- Affordability, quality and availability of housing is a major issue and impacts negatively on recruitment and retention of staff;
- The most challenging area is housing more junior staff, typically with salaries of £20,000 to £35,000. Accommodation affordable to this group is very hard to find and often of lower quality. Shared accommodation (e.g. a 4 bedroom home with 4 sharers) can be a good option for younger staff, but is also difficult to find;
- More experienced staff, often considering starting a family, are also a challenging area with even a 2 bedroom apartment difficult to afford. This leads to a loss of mid-level staff from the organisation as they move to more affordable parts of London / the South East;
- Often staff have to live great distances from their place of work, meaning long commutes and added stress; and
- Overall, the lack of suitable housing is a significant contributor to vacancy levels.

5.53 Organisations welcomed the opportunity for intermediate homes for rent or sale to keyworkers, with the main feedback being that these should be delivered as soon as possible.

Student Accommodation

5.54 The UK higher education sector continues to grow, driven by increases in the proportion of applicants accepted, the strong international appeal of the sector and the ongoing attraction of postgraduate study. London has four universities in the global top 50: Imperial College London, University College London, King's College London, and The London School of Economics and Political Science.

5.55 Between 2019/20 and 2021/22, London saw an increase in student numbers of 38,000. The last two years alone have seen international students in the city grow by 27,495. Despite the continued growth in demand for university education (and accommodation), Cushman & Wakefield report that the London market remains structurally undersupplied, yet the pace of new delivery continues to slow: there are 718,805 PBSA beds in the UK for the 2023/24 academic year, an increase of just 8,760 on 2022/23, continuing the recent decline in new beds entering the market. In 2022/23 only 330 beds opened in London¹³.

5.56 RBKC currently houses four higher education institutions / university colleges (Imperial College, Kensington College of Business, Royal College of Music, Royal College of Art), a major Further Education college, and many smaller colleges, language schools, and business schools. The most significant in terms of student numbers is Imperial College. The proposals which form the wider application site and located on the borough boundary will address the needs for RBKC.

Co-Living

5.57 The borough has a high proportion of single person households, which is projected to increase by +9% by 2041 (ONS 2018). The majority (67%) of households in the borough are living in the PRS, many of whom are typically single person households. There is however an extremely low stock and lack of new supply of good quality and cost effective purpose-built rental homes that are affordable to individuals.

5.58 The lack of supply means increasing numbers of young single person households are likely to be forced to: i) leave the local area (displacing communities and reducing the local working age population); ii) continue to live with parents, family or friends into later life (including sofa surfing); or iii) live in unsuitable low quality house shares (of which only a very small amount is fully regulated and/or good quality housing purpose built for sharing). A recent survey from Hamptons evidenced significant growth in the number of young adults living with their parents (Hamptons 2023).

5.59 As highlighted previously in this section, growing demand for a diminishing number of shared Buy-to-Let homes is resulting in a range of local issues including reduced quality of housing, reduced security, reduced affordability and ultimately reduced quality of life, as well as the conversion of homes otherwise highly suited to families.

5.60 The above issues are expected to be exacerbated by growth in the number of single person households. The number of single and shared households are projected to increase by 6,607 to 2041

¹³ UK Student Accommodation Report 2023 (Cushman & Wakefield)

(ONS 2024). This equates to 100% of all projected household growth in RBKC to 2041 with projections in families forecasted to declining by 15% of total household growth. The majority of the growth in childless households is expected to be single person or multi person (sharing) households as opposed to cohabiting couples.

Summary

5.61 The key considerations of the local RBKC housing context are summarised below:

- **Rising Housing Costs** – an undersupply of market homes to rent and buy is causing housing costs to increase for all households. More homes are needed to improve affordability and living conditions for everyone.
- **Local Services** – keyworkers have particular difficulties finding suitable homes. This is a priority issue for local service providers, as they struggle to attract new staff and retain existing employees who can often find a better balance of salary / housing costs elsewhere.
- **Population** – RBKC’s population is projected to increase by 1,900 over the next 20 years. The borough has a young population (compared to London more widely), but the number of working age households is declining, whilst the older population is expanding rapidly. Growth is forecasted to be concentrated amongst smaller households (comprising singles and childless couples).
- **Housing Delivery** – the number of housing starts in RBKC has not met the annual requirement since 2019/20, indicating completions in the short to medium term will fall short of targets. The lack of housing starts in RBKC exacerbates the affordability issues, limits new stock which is more appropriate to bring forward in turn limiting the households who are under occupied from releasing their property for more appropriate homes thus allowing families to stay in the borough. Delivery of housing across London more widely is also falling short of targets, achieving an average of 85% since 2011/12 and has consistently declined since 2018/19. The shortfall over this time period amounts to c.72,000 homes. A significant step change in delivery of homes across the city is essential in order to deliver the homes that Londoners need.
- **Affordable Housing** – the Council has achieved c. 29% of its affordable housing requirement over the reported last 5 year period which has resulted in an under supply of c.550 affordable homes in the borough.
- **Tenure** – the PRS (typically characterised by young professionals and key workers in their 20s and 30s) saw the greatest increase between 2011 and 2021 (+1,648 households) whilst owner occupation and shared ownership declined. The PRS is under significant strain, with rents increasing at unprecedented and unsustainable rates and high levels of over-occupation.
- **Size** – the housing stock in the borough is typically characterised by 1 and 2 bed properties, which reflects the demand from smaller households for inner city living. Much of the 1 and 2 bed stock is larger period properties converted into ever smaller units to maximise commercial return, this results in poor quality PRS units.
- **Affordability** – the affordability of homes to rent or buy is increasingly out of reach. Households would need an income of £167,000 to rent a 2-bed home on the open market.

6.0 RBKC Housing Proposals

6.1 The RBKC development proposals include a diverse mix of types and tenure of homes to meet a range of needs in the local area. This section of the report provides an overview of these proposals.

Overall Housing Delivery

- 6.2 Over the London plan period, RBKC has a target to deliver 448 additional homes in the borough per annum as set out in the London Plan. RBKC has achieved its overall housing delivery target once out of four years over the plan period to date with 1,272 homes delivered between 2019/20 and 2022/23. This leaves a total of 3,208 (72% of the total) to be provided by 2029. As identified in the emerging Local Plan, the Borough is highly constrained being the smallest London borough. The Borough's reliance on a limited number of sites means RBKC cannot have a steady and even supply of housing without leveraging identified land with the capacity for delivery of new homes. The Local Plan highlights the borough has a very limited number of large sites. Of these, Earls Court makes up one of the two sites of greatest importance for future development and housing delivery and as such it is identified for new homes within the Site Allocation of the Local Plan
- 6.3 The proposals for the Earls Court development site present the opportunity to make a significant contribution to the Council's housing target by delivering up to 1,400 homes (C3 Use) across the borough which comprises a wide range of housing options to meet the diverse needs of the borough on a central brownfield site. Up to 150 Later Living homes are proposed to be provided to deliver much needed purpose built housing for older persons in the borough, which will result in releasing family homes which are currently considered to be under occupied. This equates to c.48% of the remaining homes required in the Local Plan period, which can be delivered on a site where works can begin immediately, brought forward by the Applicant. The delivery of 40 Co-living homes which is equivalent to 22 conventional homes adopting the conversion ratio of 1.8:1 (set out in the London Plan, 2021) and homes and 30 PBSA bedspaces which is equivalent to 12 conventional homes adopting the conversion ratio of 2.5:1 (set out in the London Plan, 2021).
- 6.4 The Applicant, its investment owners, and its leadership team have extensive experience of development, with a proven track record in successfully delivering major urban projects. The Applicant has also assembled a leading team of professional advisors and has ownership of the relevant parts of the site to allow delivery to progress once planning permission has been granted and discharge of conditions.
- 6.5 As identified in the Local Plan, RBKC aims to be 'a better Kensington and Chelsea' by transforming public policy, urban policy and housing delivery, in order to deliver sufficient homes to meet its housing targets. This will enable the borough to protect and provide other important employment as well as social and community uses. The proposals for up to c. 1,400 high quality homes – comprising a range of housing types – at the site, contributes to RBKC's aspiration that 'a borough of unique heritage can also be a borough for everyone'. Setting these housing proposals within the wider application including substantial employment space, culture and leisure provision will create a vibrant new place, with space for businesses.
- 6.6 Furthermore, as detailed in Section 5, evidence gathered by the GLA has shown that boosting the supply of market housing helps to relieve affordability pressures in the local housing market. According to DLUHC estimates, a 1% increase in the housing stock leads to a 2% fall in house

prices (if nothing else changes). The provision of homes (both market and affordable) at Earls Court can contribute to the easing of upward pressure on housing costs for residents.

Mix of Types of Homes

- 6.7 The proposed mix will address housing needs as set out in Section 5 of this report. The applicant has sought specialist market advice on demographic projections over the pre-application period to deliver the most appropriate unit mix. As identified in Section 5, the borough has a growing demand for smaller households which is reflected in the proposed housing mix, while maintaining an appropriate level of family housing.
- 6.8 The Outline element of the Hybrid Application proposes a diverse mix of types and tenures of homes, to meet a range of needs in the local area. The proposals will deliver up to 1,400 conventional (i.e. use class C3) residential dwellings within RBKC.
- 6.9 The proposals include a mix of unit sizes appropriate for the location and proposed tenures. The proposed tenures for C3 Use homes will be secured through s106. These are set out below:

Table 6-1- Proposed Unit Type Mix Range (C3 Use homes)

	Studio	1 Bed	2 Bed	3 Bed	4 Bed
Social Rent	0%	15 – 25%	25 – 45%	30 – 45%	5 – 15%
Intermediate	0 – 10%	25 – 45%	25 – 45%	5 – 20%	0 – 10%
Market	5 – 12.5%	30 – 50%	30 – 50%	5 – 20%	0 – 10%

Affordable Housing

- 6.10 The Application proposes up to 1,400 C3 homes across the proposed development, with precise numbers confirmed as future Reserved Matters Applications for each subsequent phase of development come forward. The Application proposes 35% affordable homes, measured by habitable room.
- 6.11 The affordable housing mix will include Social Rent, Intermediate Rent and Intermediate Home Ownership tenures, meeting or exceeding the minimum proportion of each tenure required under London Plan Policy H6.
- 6.12 The affordable housing proposals will make a significant contribution towards meeting the Council's annual affordable housing requirements. As identified in Section 5, RBKC has not met the affordable housing in previous years targets and a step-change in the delivery of affordable homes is required to cater for the needs of the borough. The proposal for up to 424 affordable homes¹⁴ by unit, 1,352 by habitable rooms (precise numbers to be confirmed as Reserved Matters Applications come forward) presents the opportunity to deliver 270% of the Council's entire annual affordable housing target and would equate to more than two and a half years-worth of delivery.

¹⁴ approximate figures that are based on indicative unit size and tenure mix assumptions at this stage to provide indicative AH unit figures for information

- 6.13 The Section 106 agreement will seek to deliver a consistent level of affordable homes within each phase of development, supporting mixed and balanced communities. The secured level and tenure mix of affordable homes will be reached prior to completion of each main phase of development, giving certainty that affordable housing delivery is in line with market housing delivery. In some cases, it may be appropriate to accelerate affordable housing delivery and complete a greater proportion of affordable homes in a phase. Where this occurs, the later phases will be adjusted to ensure the agreed overall level of affordable homes is reached across the site.
- 6.14 The Applicant is committed to meeting the needs of the local community and integrating the development proposals with the existing households around the site. It is therefore proposed that a Local Lettings arrangement be worked up with RBKC, ensuring local people have priority for affordable homes. RBKC’s standard nominations process will then apply enabling wider households to also benefit.
- 6.15 The application proposes a range of affordable housing tenures available to households on a range of incomes (demonstrated by Table 6-2 below) which serves to foster a truly balanced and inclusive community.

Table 6-2- Weekly Housing Costs (2024 figures, Social Housing Formula Rents and Intermediate Housing Costs based on Affordability Thresholds)		
Unit Size	Total Housing Cost (per week)	Individual Housing Cost (per week)
<i>Social Rent</i>		
1 bed	£174	£87
2 bed	£184	£92
3 bed	£194	£97
4 bed	£204	£102
<i>Intermediate Rent</i>		
1 bed	£175 - £323	£161 - £175
2 bed	£215 - £350	£107 - £175
3 bed	£323 - £484	£107 - £161
4 bed	£430 - £484	£107 - £121
<i>Affordable Home Ownership</i>		
1 bed	£300 - £475	£150 - £237
2 bed	£370 - £475	£185 - £237
3 bed	£425 - £475	£212 - £237
4 bed	£465 - £475	£232 - £237

Social Rent

- 6.16 The Social Rent homes will be available to local households on low incomes who are registered on the Council’s housing waiting list (there are currently 3,019 households on the list). The proposed homes will provide housing that is high-quality, affordable, safe, and secure for a meaningful proportion of households in need.
- 6.17 The proposed social rent homes will be let at formula rents. Current day rents are set out in Table 6-3 below and will be increased each year, with increases capped in line with national guidance (CPI + 1%):

Table 6-3- Social Rents (2024)	
Type	Weekly Rent
1 bed	£173.80
2 bed	£183.99
3 bed	£194.23
4 bed	£204.44

Intermediate Rent

- 6.18 As identified in Section 5 of this report, the Applicant has engaged with a number of local keyworker institutions and considered the needs of employers in the borough. A flexible intermediate rent product is considered to be important in meeting the identified needs, enabling staff to readily relocate to the area to take up jobs and the security of tenure and quality of accommodation then encourages tenants to stay for the longer term.
- 6.19 As identified by the two major local hospitals consulted, a great proportion of need is for younger staff, often relocating to the area in early career roles in nursing and care. Family homes are also important, particularly for younger staff looking to start a family as this is often the trigger to move away from the area due to housing costs.
- 6.20 Based on the above, an intermediate rent product is proposed with the following characteristics:
- A mix of 1, 2 and 3 bed homes.
 - Tenancy terms similar to the Build to Rent offer outlined within this document – i.e. longer tenancies at the renter’s option, a resident-only break clause with 1 months’ notice after 6 months, formula-linked rent increases, on-site management and no up-front fees.
 - Affordability aligned to 28% of gross income for the target occupants. These will be refined in conjunction with keyworker employers but could include, for example, healthcare assistants earning around £20,000 and nurses earning around £32,500.
 - Eligibility based on local connections (either linked to employment or place of living, or an offer of employment by a keyworker employer), with a maximum income up to the level set by the GLA, index-linked to maintain real terms affordability over time.
- 6.21 A large number of the eligible households (in particular key workers) may also be registered on the Housing Waiting List or would be eligible to join. The provision of affordable homes at rents that are

affordable for key worker incomes will therefore make a meaningful contribution to reducing the number of households on the list.

Affordable Home Ownership

- 6.22 The Intermediate homes will include affordable home ownership products, likely comprising Shared Ownership but allowing for some flexibility for discounted market sale or other similar new tenures.
- 6.23 Shared Ownership homes are available to households who cannot afford a deposit and/or mortgage to buy a property on the open market. Buyers can purchase an initial share between 10% and 75% of the market value and pay rent on the remaining share (capped at 2.75% of the unsold equity). Households then have the opportunity to buy more shares in their home, known as staircasing, and pay less rent by reducing the remaining equity.
- 6.24 Unlike market sale housing, Shared Ownership homes do not require a large equity deposit and have much lower monthly costs (including mortgage costs and rent paid on unsold equity). As a result, the income required to access Shared Ownership housing is significantly lower than for market sale, and households require a smaller deposit. Shared Ownership therefore provides a suitable housing option for the growing number of households who are unlikely to be eligible for council allocated housing but cannot afford market sale housing. The government Help to Buy scheme which has supported many people without access to large equity deposits has now ended, placing further importance on the delivery of Shared Ownership in order to support those who are unable to afford the market product.
- 6.25 The proposed Shared Ownership properties (or other intermediate housing options which may be introduced and agreed with the Council over the life of the delivery period) would be affordable to households with a wide range of incomes. An indicative affordability calculation is set out in Table 6-4 below.

Type	Initial Share	Rent	Monthly Housing Cost	Monthly Housing Cost per person (dual income household)
1 bed	10%	1.50%	£1,300	£650
2 bed	10%	1.50%	£1,800	£900
3 bed	10%	1.25%	£2,100	£1,050

- 6.26 As indicated earlier in this report, there are a significant number of key workers and young professionals who are essential to RBKC and London's economy but are not able to afford to purchase a home, nor would they be eligible for affordable rented housing. The Shared Ownership homes would be suitable for key workers, as demonstrated in Table 6-5 below.

Table 6-5- Example Households		
Property	Household Member Occupation	Individual Income (ASHE 2023)
1 bed	Information Technology Professional	£56,000
	Carer	£28,000
	Welfare / housing Associate	£30,000
2 bed	Teacher	£47,000
	Science, Engineering & Production	£34,000
	Technician	
3 bed	Nurse	£45,000
	Media Professional	£44,000

6.27 Discounted Market Sale is an alternative low cost home ownership product where a new build property is purchased at a discounted price. Homes are sold at a discount to market (the minimum being 20% but typical discounts being greater than this) to buyers who meet the following criteria:

- Have a local connection to the area;
- Do not have ownership of another property; and
- Have a household income under £90,000.

6.28 Buyers do not have to pay rent on the remaining equity, offering households greater certainty over their housing costs. The discount to market is secured in perpetuity, therefore benefitting future eligible first time buyers.

6.29 As identified in Section 2 of this report, national planning guidance indicates that a proportion of all affordable homes should be delivered as First Homes. In the case of Earls Court, it is demonstrated that the combination of Discounted Market Sale and Shared Ownership tenures offers a more locally relevant affordable home ownership solution, with greater flexibility to be affordable to local people. On this basis First Homes are not proposed within the application.

6.30 All intermediate home ownership homes will be marketed in conjunction with RBKC's requirements to ensure availability to local households and priority for lower income households, with thresholds to be agreed with RBKC. Marketing will commence at least 6 months prior to completion of each tranche of homes, with any households which the borough maintains records of being notified directly and others being made aware through wider advertising. Where this initial process does not identify a purchaser, marketing more widely to households with incomes up to the GLA threshold will take place to ensure homes are occupied at completion. To ensure affordability is maintained in real terms over the project delivery period all income thresholds will be index linked, adopting either the Consumer Price Index or the Average Weekly Earnings Index.

6.31 As demonstrated above, the intermediate homes will be affordable for households in need who may not be prioritised for Social Rent housing but are unable to afford market rent or home ownership (in particular key worker households). This type of housing also supports economic growth in the borough in the following ways:

- **Talent attraction and retention:** employers who are able to offer affordable housing for eligible existing and potential employees are far more likely to be able to attract and retain skilled

- professionals. RBKC residents benefit from high quality service provision in sectors such as health education, transport, policing, and healthcare;
- **Mental health and wellbeing:** access to quality affordable housing with security of tenure and shortened commutes positively impacts the mental health of residents (who struggle to afford market housing) and makes for a better quality of life;
 - **Enhanced productivity:** in the absence of stress associated with housing costs and long or difficult commutes, job satisfaction is likely to be higher, resulting in increased productivity and reduced absenteeism; and
 - **Local economic stimulus:** the removal of financial strain associated with housing costs and commutes means low-income households are able to enjoy, participate in and contribute more to the local economy.

Amenities

- 6.32 The Earls Court development will provide a wide range of amenities for residents and the wider community. This will include external areas such as public realm and play spaces together with internal areas such as gyms, home working space, lounges or home cinema rooms. The aim is to ensure equality of access to amenities for residents of all housing tenures whilst keeping service charges as low as possible.
- 6.33 In order to achieve the above, any general facilities such as the concierge or children's play area will be available to all residents sharing a building core. Where a building includes wider amenities shared across the block such as a swimming pool, these will operate on an "opt in" system, with residents able to decide whether to pay a charge to access. This approach offers flexibility and avoids fixed higher service charges for amenities that not all residents may want to use.
- 6.34 The Applicant is committed to fair service charges and the requirements of the GLA Service Charges Charter.

Accessibility

- 6.35 All homes will meet Building Regulations Standard M4(2) Accessible and Adaptable Dwellings. This means that the homes will be suitable for a variety of people to access and live in, including older people, those with reduced mobility, and some wheelchair users.
- 6.36 10% of the homes will also meet Building Regulations Standard M4(3) Wheelchair User Dwellings. These homes will be fully accessible for wheelchair users and those with other mobility needs to live in. The Applicant will also work with RBKC's housing team and occupational therapists to ensure all social rent wheelchair homes are fully fitted out to the needs of the occupant.

Later Living

- 6.37 By 2040 there will be over 38,000 older people living in RBKC (+39% from 2023), and with a rapidly ageing population comes associated chronic challenges relating to health and wellbeing, which has implications for both individuals and RBKC. Building purpose-built housing that is appropriate for an ageing population is essential to tackling the aforementioned challenges. The proposals include the potential to deliver C3 use class later living homes, including 35% affordable homes as for standard market housing. As part of the housing proposals there are also provisions to deliver 150 later living homes within C2 use class (i.e. including care) which will not have a requirement for affordable homes.
- 6.38 The role of specialist housing for older people and the positive knock-on effects for local authorities and communities is now very well-documented by extensive research and has been afforded

substantial weight in multiple appeal decisions. It is also increasingly recognised by central and local government.

Benefits for Residents

- 6.39 Age-appropriate housing is linked to improvements in the health and well-being of occupants (and also the wider community where some amenities are publicly accessible. Research has attributed the following benefits to specialist housing and age-appropriate housing more generally:
- **Psychological wellbeing:** The Mayhew Review stresses that the ability of older people's housing to foster social connections is of great importance. Loneliness in older persons housing is lower than national averages and 86% of residents are 'never' or 'hardly ever' lonely. Prevalence of depression is low, and studies reported a 23% reduction in anxiety and improvements in memory and cognitive skills .
 - **Physical health:** a community can provide stimulus and purposeful activity, combatting loneliness and promoting purposeful living. Residents typically demonstrate significant improvements in frequency of exercise (+75% compared to the baseline). Increased levels of activity have been linked to a reduction in the risk of falls and delays of up to 3 years in reaching frailty.
 - **Enhanced safety and security:** safety features such as fall detection/prevention technology and trained staff on-site help to ensure the safety and security of residents, providing people and their families with peace of mind.
 - **Prolonged independence:** good accessibility, general support, technology and social interaction with the community enables older individuals to maintain their independence for longer. Residents are more likely to be able to age in place, with a significantly reduced likelihood of a need for an onwards move to a care or nursing home.
 - **Reduced cost of care:** the purpose-built nature of homes to suit the needs of older people may also mean that they have less need for additional support, reducing their expenditure on domiciliary care.
 - **Relief for caregivers:** appropriate housing and support can alleviate the burden on family caregivers by providing professional support and assistance. This allows family and friends to have peace of mind knowing that their loved ones are well looked after in a supportive environment.

Benefits for RBKC

- 6.40 By promoting independence, providing appropriate support, and reducing the reliance on more costly care options, older persons housing will contribute to savings in public spending for authorities. These benefits, reported by Housing LIN¹⁵, include:
- **Social care services:** by offering housing with on-site care and support, older persons housing can help alleviate the strain on public social care services. This enables local authorities to allocate their resources more efficiently and prioritise individuals with higher care needs.
 - **Prevention of institutionalisation:** specialist housing helps prevent or delay the need for older individuals to move into nursing or care homes, which is more costly for local authorities.
 - **GP services and community nursing:** evidence indicates that living in age-appropriate housing reduces the number of visits to GP services as residents are better supported within their home environment by on-site staff as well as each other.
 - **Emergency care:** care providers can respond swiftly to emergencies and provide increased levels of support where needed, which has been shown to reduce the number of cases where ambulances are called out.

¹⁵ The health and social care cost-benefits of housing for older people, Housing LIN (2019)

- **Hospital admission:** studies have shown that the Housing with Care model is associated with a reduction in the likelihood of admittance to hospital for an overnight stay, and a significant reduction in the duration of unplanned hospital stays from an average of 8-14 days to 1-2 days for Housing with Care residents due to the reduction of delayed discharge due to unsuitable housing¹⁶.

Improvements to residents and the care system (Extra Care Charitable Trust)

- NHS costs reduce by 38%;
- Unplanned hospital stays reduced from 8-14 to 1-2 days;
- 46% reduction in routine and regular GP visits;
- 14.8% reduction in depressive symptoms in 18 months;
- 23% decrease in anxiety symptoms;
- Significant improvements in the level of exercise done by residents (75%);
- Increase in walking speed and a reduction of falls over the first two years;
- The increase of frailty is delayed or reversed in residents;
- 24% increase in autobiographical and 17% increase in memory recall tests

- 6.41 The cost saving potential afforded to specialist housing is a significant benefit. The Strategic Society Centre found that, for one new retirement housing unit occupied by one person for at least 10 years, potential total savings to the state are around £83,100, including health and care needs and Local Authority social care entitlement. If two people occupy a home the total savings increase to around £111,400¹⁷.

Release of Family Housing

- 6.42 The Mayhew Review estimated that appropriate rightsizing and the release of under occupied homes would result in 50,000 fewer homes needing to be built every year nationally (or alternatively current delivery being closer to need, which it currently falls substantially below).
- 6.43 Future occupants of the age-appropriate homes at Earls Court would release housing with surplus bedrooms in RBKC or London more widely for those lower down the housing ladder to buy (95% of residents were owner occupiers before moving into a private IRC¹⁸), creating a ripple effect that will also assist first time buyers.
- 6.44 Research has shown that each purchase of a newly built age-appropriate home generates on average two additional transactions in the secondary market, and roughly every two in three built releases a home suitable for a first-time buyer¹⁹. Based on these conclusions, the provision of c.150 market homes designed for older people in RBKC could therefore generate in excess of 450 additional transactions in the market, helping to free up housing for families and first-time buyers as well as easing pressure on house prices. Roughly one third of these homes would be suitable for first time buyers and two thirds would be family homes.
- 6.45 The role of age-appropriate housing in freeing up of family housing is recognised in numerous appeal decisions, including St Albans where the Inspector found the release of underoccupied

¹⁶ Integrated Homes, Care and Support: Measurable Outcomes for Healthy Ageing (The Extra Care Charitable Trust, 2019)

¹⁷ Valuing Retirement Housing (Strategic Society Centre, 2016)

¹⁸ Knight Frank Seniors Housing Review 2023/24

¹⁹ The Chain Reaction: the positive impact of specialist retirement housing on the generational divide and first-time buyers August 2020 (Homes for Later Living)

housing, as a consequence of the provision of specialist accommodation for older people, to carry substantial weight through the freeing up of other parts of the housing market²⁰.

- 6.46 In the West Malling case, the Inspector concluded that *“helping older people to move at the right time and in the right way can help their quality of life as well as freeing up more homes for other buyers. Under-occupied homes could then be released onto the market where they would be particularly attractive to those in younger age groups in need of larger houses to raise families. The provision of specialist housing more suited to the needs of older persons is likely to encourage them to move and would make a valuable contribution to overall housing needs which should be weighed in the balance.”*²¹
- 6.47 Set against the context of borough’s constrained administrative boundary, the freeing up of family housing in the market in addition to new age-appropriate homes is a significant benefit for RBKC and its residents.

Student Accommodation and Co-living

- 6.48 The proposed development will deliver up to 1,500 PBSA bedrooms and 1,000 Co-living homes. As set out in Section 3 of the report 30 PBSA bedrooms and 40 Co-living units will be allocated to RBKC. The location of these homes are conveniently located and will address the needs for PBSA and Co-living in RBKC.
- 6.49 The Applicant is committed to providing 35% affordable student bed spaces, the same proportion as the conventional residential affordable housing, secured during the 30 week academic term at the affordable student rents set by the GLA (index linked to maintain affordability in real terms). In accordance with London Plan Policy H15, a majority of student bedspaces in the development (including all of the affordable student accommodation bedrooms) will be secured through a nominations agreement for occupation by students of one or more higher education providers.
- 6.50 Co-living and PBSA accommodation typically comprises a private bedroom (which itself may include an en-suite bathroom and kitchenette); with wider facilities such as living spaces, well-equipped kitchen dining and living spaces, and other amenities such as workspace and gyms provided communally.
- 6.51 As recognised by the London Plan, the provision of PBSA and Co-living will have a number of benefits for RBKC and London more widely:
- **Housing Need:** PBSA and Co-living addresses housing needs directly by providing accommodation for students/young professionals and indirectly by reducing pressure on traditional rental homes. As both uses become an increasingly attractive alternative to conventional housing (due to 'all-inclusive' rents, property quality, and brand reputation) it now has greater potential to attract tenants away from the private rental sector, easing demand pressures there.
 - **Support for the economy:** in areas with significant housing development, PBSA and related housing types like Co-living can diversify the market and aid in market absorption, thus supporting overall housing delivery while meeting specific housing needs. Additionally, supporting the economy through student spending and part-time jobs. Providing accommodation guarantees (e.g., for first-year students) is crucial for universities competing for students both domestically and internationally, bolstering their viability, growth, and world-class status. Co-living will appeal to many students who study in London remain after graduation, contributing to the city's highly

²⁰ APP/B1930/W/21/3279463, paragraphs 72 – 73.

²¹ APP/H2265/W/18/3202040, paragraph 42.

qualified workforce and entrepreneurial pool, which is essential for key economic sectors such as research, creative industries, and professional services.

- 6.52 Single households in the borough will benefit from proposals for PSBA and Co-living which allow for 50,000 sqm of Co-living (Sui Generis) floorspace. Shared accommodation is an increasingly popular housing option that is well-suited to new graduates and young single professionals. Co-living presents an opportunity for graduates to move on from traditional shared housing to reflect the step change from student to professional, and presents the opportunity to further enhance graduate retention for the city. Furthermore, residents can enjoy a better quality of housing whilst still benefitting from an element of communal living which facilitates the creation of social networks.
- 6.53 There is a very limited supply of cost-effective single person properties for rent in the borough. Co-living and PBSA serves to bridge the gap between HMO accommodation and self-contained private rented accommodation by providing tenants with a more self-contained private space (whilst retaining the benefit of communal living) that is affordable and suitable for young professionals.
- 6.54 PBSA and Co-living housing costs are typically charged as an all-in rent, inclusive of costs such as bills and service charge with no hidden costs. This provides tenants with much greater certainty on their total housing costs. In addition, accommodation will be built to a high standard in accordance with the London Plan, is professionally managed and maintained, and offers a greater degree of stability and security of tenure for tenants.
- 6.55 Recognising the need for social rent and intermediate homes, the affordable housing requirement generated by any co-living homes will be delivered as conventional affordable housing elsewhere within the site.

7.0 Conclusion

- 7.1 The Applicant has worked closely with LBHF and RBKC along with local stakeholders to enable the proposal of 35% affordable homes (measured by habitable room) at Earls Court. This is an ambitious proposal and ECDC is committed to ensuring the substantial economic and housing delivery benefits of the proposals for London are optimised. Ongoing collaboration and partnership will be critical to optimising the delivery of homes for the local community.

Housing Need Summary

- The borough is in need of high quality new homes, adding substantially to local housing supply and helping reduce housing costs in the area which have been driven up by a shortage of supply, with particular focus on smaller homes to support the growing number of single/childless households.
- RBKC's population is projected to increase over the next 20 years. The number of working age households is declining, whilst the older population is expanding rapidly. The majority of growth is concentrated amongst residents aged 65+, who under occupy homes due to lack of housing suitable for later living.
- Housing delivery across London is consistently falling short of targets. The shortfall of homes equates to 72,000 since 2011/12.
- The total number of remaining homes to be delivered in RBKC over the plan period totals 3,208. Housing completions have not met the annual housing requirement since 2019/20.
- RBKC has delivered only 21% of its affordable housing requirement between 2011 and 2023.
- The housing market is under significant strain with rising costs to rent or buy a home, and a shortage of purpose-built options for those who need age appropriate homes, and general owner occupation levels declining. The undersupply of market homes is causing housing costs to increase for all households.
- RBKC's aspirations to grow and develop its local economy requires a range of sustainably located, high quality homes to attract and retain the skilled workforce. Keyworkers have particular difficulties finding suitable homes. This is a priority issue for local service providers, as they struggle to attract new staff and retain existing employees.

- 7.2 The housing proposed as part of the Earls Court application responds positively and innovatively to the challenges identified within this report which are summarised above. The key benefits include:

- **Improved Affordability:** new homes, adding substantially to local housing supply and helping reduce housing costs in the area which have been driven up by a shortage of supply.
- **Social Rent Housing:** Homes for households on the Council's Housing Waiting List, with rents starting at £174 per week and sizes ranging from one to four bedrooms.
- **Homes for Key Workers:** Intermediate rent homes, affordable to keyworkers providing local community services, including those starting careers in fields such as nursing, teaching and care.

- **Supporting the Local Economy:** Affordable and market homes to improve living standards for existing and new residents, contributing to the boroughs local economy in tech, life sciences and other sectors. Having affordable and secure accommodation also enables residents to remain in the borough and start families.
- **Delivering and Releasing Family Housing:** Directly delivering new family homes in addition to providing single person housing to relieve pressure on conversion of existing family homes to HMOs and shared accommodation.
- **Age-appropriate Options:** Offering older households a choice of high quality homes with care and support, enabling them to down-size if they wish and improve quality of life and health outcomes.
- **Accessible Housing:** Market and affordable homes for those with a range of accessibility needs, including wheelchair users.

Thank you

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EC.PA.26A
July 2024