



# Affordable 106

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## **Residential & commercial redevelopment at**

**Rear of 74 Church Road  
Barnes  
London  
SW13 0DQ**

## **Affordable Housing Statement**

**for**

**Basinghall Estate Company Limited**

**March 2017**

Sean Phillips, BA(Hons)  
Affordable 106 Limited

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## 1. **Introduction**

- 1.1 This 'Affordable Housing Statement' has been prepared by Affordable 106 Limited on behalf of 'Basinghall Estate Company Limited' (the applicant) and supports a full planning application to the London Borough of Richmond upon Thames (the Local Planning Authority) for a proposed residential-led mixed-use development on land rear of 74 Church Road, Barnes, London, SW13 0DQ.
- 1.2 The application site is situated within Barnes local centre and currently accommodates a single-storey 'V' shaped commercial building under Class A1, A3 and B1 use. The site is a courtyard-type development located to the rear of 74 Church Road (a backland site) and the surrounding area is primarily residential in character with ground floor retail units along Church Road and commercial workshops to the west.
- 1.3 Further details of the proposal is set out in the 'Planning Statement' prepared by Turnberry Planning Limited.

## 2. **The Applicant**

- 2.1 The applicant is a long established property company that has been investing in and managing mixed-use properties within Barnes for over 50 years. The Directors of the Company treat their real estate with responsibility, especially towards its occupiers. They want all occupiers (whether these be individuals or businesses) to flourish. The Company believes in long-term stewardship and rarely sells its landholdings, preferring to take a more sustainable approach in regenerating and growing its property assets for the long run.

## 3. **Proposed Development**

- 3.1 The proposed development is for the demolition of existing single storey buildings and erection of a two-storey 'V' shaped and brick-built courtyard-style development comprising of 6 residential flats; 5 of Class B1 commercial/workshop units; and associated development to include car parking provision and hardstanding. Details of the proposal are set out in the table below.

Unit	Floor	No. of Beds	Gross Internal Area (m <sup>2</sup> )	Allocated Off-street Car Parking Space	Private Amenity Space (m <sup>2</sup> )
Flat 1	Ground	2	70	1 (disabled space)	14.3
Flat 2	Ground	2	83.2	1	32.3
Flat 3	First	2	72.1	1	6.3
Flat 4	First	1	44.6	0	8.5
Flat 5	First	1	44.6	0	8.5
Flat 6	First	2	71.3	1	15.7
Commercial Unit 1	Ground	N/A	28.1	1 (for visitor parking only)	N/A
Commercial Unit 2	Ground	N/A	28.7		N/A
Commercial Unit 3	Ground	N/A	28.7		N/A
Commercial Unit 4	Ground	N/A	28.7		N/A
Commercial Unit 5	Ground	N/A	28.1		N/A

3.2 The inclusion of residential accommodation in the proposed scheme generates a planning policy-required obligation on the part of the applicant to contribute towards the provision of local affordable housing.

#### 4. Purpose

4.1 This Affordable Housing Statement is submitted in support of the applicant's planning application. It will consider the planning policy expectations in relation to affordable housing in this location and set out the applicant's offer in that context.

#### 5. Planning Policy Background

5.1 The National Planning Policy Framework (NPPF) (March 2012) promotes a presumption in favour of sustainable development. It recognises that planning contributions, including affordable housing, should not be set at levels that obstruct development. It states:

*Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.*

(Paragraph 173)

5.2 The NPPF's glossary defines affordable housing as:

*Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision...*

*Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).*

*Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.*

5.3 The London Plan 2016 sets out the regional affordable housing requirements across policies 3.10 to 3.13.

5.4 Policy 3.10 defines affordable housing:

*Affordable housing is social rented, affordable rented and intermediate housing... provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision*

5.5 Policy 3.11 sets regional affordable housing targets:

*The Mayor will, and boroughs and other relevant agencies and partners should, seek to maximise affordable housing provision and ensure an average of at least 17,000 more affordable homes per year in London over the term of this Plan. In order to give impetus to a strong and diverse intermediate housing sector, 60% of the affordable housing provision should be for social and affordable rent and 40% for intermediate rent or sale. Priority should be accorded to provision of affordable family housing...*

5.6 Policy 3.12 details the arrangements for negotiating affordable housing on individual sites:

*A The maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes, having regard to:*

*a current and future requirements for affordable housing at local and regional levels...*

*b affordable housing targets adopted inline with Policy 3.11,*

*c the need to encourage rather than restrain residential development...,*

*d the need to promote mixed and balanced communities...,*

*e the size and type of affordable housing needed in particular locations,*

*f the specific circumstances of individual sites,*

*g resources available to fund affordable housing, to maximise affordable housing output and the investment criteria set by the Mayor,*

*h the priority to be accorded to provision of affordable family housing...*

*B Negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy, the implications of phased development including provisions for re-appraising the viability of schemes prior to implementation ('contingent obligations'), and other scheme requirements.*

*C Affordable housing should normally be provided on-site. In exceptional cases where it can be demonstrated robustly that this is not appropriate in terms of the policies in this Plan, it may be provided off-site. A cash in lieu contribution should only be accepted where this would have demonstrable benefits in furthering the affordable housing and other policies in this Plan and should be ring-fenced and, if appropriate, pooled to secure additional affordable housing either on identified sites elsewhere or as part of an agreed programme for provision of affordable housing.*

5.7 Policy 3.13 sets the appropriate threshold at which affordable housing should be required:

*A Boroughs should normally require affordable housing provision on a site which has capacity to provide 10 or more homes, applying the density guidance set out in... this Plan...*

*B Boroughs are encouraged to seek a lower threshold through the LDF process where this can be justified in accordance with guidance, including circumstances where this will enable proposals for larger dwellings in terms of floorspace to make an equitable contribution to affordable housing provision.*

- 5.8 The London Borough of Richmond upon Thames' target is that 50% of new homes from all sources should be affordable. Policy CP15.B of the Council's Core Strategy (April 2009) requires that:

*Some form of contribution towards affordable housing will be expected on all new housing sites. The contribution towards affordable housing on sites involving new-build housing will be as follows [inter alia and relevant here]:*

*on sites below the threshold of 'capable of ten or more units gross', a financial contribution to the Affordable Housing Fund commensurate with the scale of development. The amount involved will be set out in the Development DPD and will be reviewed annually.*

- 5.9 The Council adopted the Development Management Plan referred to in Policy CP15.B in November 2011. Policy DM HO 6 sets out the expectation that a scheme capable of providing 6 new homes will make a financial contribution towards meeting the costs of off-site affordable housing of 30% or 1.8 homes. The Council makes a spreadsheet available through which planning applicants can establish the cost of the contribution.
- 5.10 The emerging Local Plan – Publication Version (2017) is at a relatively advanced stage in the plan-making process. However, as it is yet to be submitted for Examination in Public, and is unlikely to be adopted until early 2018, it can only be afforded limited weight in the determination of any planning applications.
- 5.11 Policy LP 36 of the emerging Local Plan remains consistent with the Development Management Plan. The site's existing (non-retail) employment floor space comprises only 22m<sup>2</sup>, a small amount in relation to the 142.3m<sup>2</sup> proposed by the site's redevelopment. The higher affordable housing contributions that would be expected to apply to employment sites are not relevant to the proposed application.

**6. Affordable Housing Proposal**

- 6.1 The Council's policy expectation is that a scheme of the scale proposed would provide a financial contribution towards the cost of the provision of affordable housing off-site that reflects a cost to the applicant equivalent to that of providing 30% affordable housing on site assuming 80% Affordable Rented and 20% intermediate housing.
- 6.2 A provisional viability assessment indicates that the £299,523 contribution that would be required would be likely to result in a viable outcome for the applicant.
- 6.3 I append the Council's Affordable Housing commuted sum calculation that establishes this figure.

**7. Unilateral Undertaking**

- 7.1 The applicant will pay to the Council an affordable housing commuted sum contribution of £299,523 in line with the provisions of the draft unilateral undertaking that is submitted with the application.

**8. Summary and Conclusions**

- 8.1 The Church Road development proposes the construction of 6 one and two-bedroom flats with 5 ground floor commercial units.
- 8.2 The applicant's proposal is to offer a financial contribution of £299,523 in lieu of on-site affordable housing provision. This is in line with planning policy expectations and notionally reflects a cost to the applicant equivalent to that of providing 30% affordable housing on site assuming 80% Affordable Rented and 20% intermediate housing.

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Sean Phillips  
Affordable 106 Limited  
7<sup>th</sup> March 2017



**LONDON BOROUGH OF RICHMOND UPON THAMES**  
**AFFORDABLE HOUSING SPD - ANNEXE A - COMMUTED SUM CALCULATION**

REV A

Site Name:	74 Church Rd, Barnes	Date	7th March 2017	Notes
Number of Units on proposed development	6	No.		
Level of Affordable Housing required	30%			
Number of Affordable Units required	1.80	No.		
Percentage Affordable Rented required	80%			
Number of Affordable Rented Units required	1.44	No.		
Percentage Intermediate required	20%			
Number of Intermediate units required	0.36	No.		
<b>Less on Site provision</b>				
Affordable Rented Units provided on site	0	No.		
<b>Net number of units of Affordable Rented off-site</b>	<b>1.44</b>	<b>No.</b>		
Intermediate Units provided on site	0	No.		
<b>Net number of Intermediate units off-site</b>	<b>0.36</b>	<b>No.</b>		

**Off-Site Commuted Sum calculation**

<b>Affordable Rented</b>										
Unit type	Off Site Provision	OMV £	Profit 20.00%	Net Total Cost	Rent per week	Mgt Charge 25.00%	Yield 6.00%	Capitalised Rent	Commuted Sum	
1 Bed Flat	0.48	315,000	63,000	252,000	210	2,730	6.00%	136,500	55,440	
2 Bed Flat	0.96	472,500	94,500	378,000	225	2,925	6.00%	146,250	222,480	
3 Bed Flat			0	0		0	6.00%	0	0	
2 Bed Hse			0	0		0	6.00%	0	0	
3 Bed Hse			0	0		0	6.00%	0	0	
4 Bed Hse			0	0		0	6.00%	0	0	
5 Bed Hse			0	0		0	6.00%	0	0	
<b>Total</b>	<b>1.44</b>							<b>Total</b>	<b>277,920</b>	

<b>Intermediate - Shared Ownership</b>											
Unit type	Off Site Provision	OMV £	Profit 20.00%	Net Total Cost	Equity Rent 2.75%	Mgt Charge 6.50%	Yield 6.00%	Capitalised Rent	1st Tranche 40.00%	Commuted Sum	
1 Bed Flat	0.12	315,000	63,000	252,000	5,198	338	6.00%	80,994	126,000	5,401	
2 Bed Flat	0.24	472,500	94,500	378,000	7,796	507	6.00%	121,492	189,000	16,202	
3 Bed Flat			0	0	0	0	6.00%	0	0	0	
2 Bed Hse			0	0	0	0	6.00%	0	0	0	
3 Bed Hse			0	0	0	0	6.00%	0	0	0	
4 Bed Hse			0	0	0	0	6.00%	0	0	0	
5 Bed Hse			0	0	0	0	6.00%	0	0	0	
<b>Total</b>	<b>0.36</b>									<b>21,603</b>	

<b>Total Units</b>	<b>1.80</b>							<b>Total Commuted Sum</b>	<b>299,523</b>
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