



11. HOUSING PROVISION

Policy No. H11.1

Housing choice

To ensure that Merton's existing and future residents have a choice of different types, sizes and costs of homes.

We will:

- a. Require proposals for new homes including new build schemes and redevelopment proposals to be well designed and located to create socially mixed, inclusive and sustainable neighbourhoods.
- b. Seek the provision of a mix of housing types sizes and tenures at a local level to meet the needs of all sectors of the community and at all stages of people's lives. This includes the provision of family sized and smaller homes and provision for those unable to compete financially in the housing market sector and those with special needs.
- c. Incorporate the re-provision of at least one family sized home where the loss of an existing family sized home is proposed.
- d. In accordance with London Plan Policy D7 (Accessible housing) and Building Regulation Requirement M4(2), 90% of all new build housing is required to be 'accessible and adaptable dwellings' and 10% to meet Building Regulation Requirement M4(3) for 'wheelchair user dwellings.
- e. Aim for the strategic target of 50% of new homes built in Merton between 2021-2036 to be affordable.
- f. We will expect the following level of affordable housing (gross) to be provided on individual sites as follows:

Threshold (gross)	Affordable housing level	Affordable housing tenure split	Required provision.
10 or more homes	<p>¹Threshold level to be eligible for the Fast-Track Route as set out in the London Plan provided all provision is on-site without public subsidy:</p> <p>50% for public sector land or on industrial land where redevelopment would result in a loss of industrial capacity.</p> <p>For all other sites up to 50% with a minimum provision of 35%.</p>	<p>70% Low-cost rent</p> <p>30% Intermediate</p>	<p>On-Site</p> <p>Only in exceptional circumstances will the provision of affordable housing off-site or financial contribution in lieu of provision on-site be considered by the council, and this must be justified and such schemes will be required to provide a detailed viability assessment.</p>
2 – 9 homes	Financial contribution equivalent to 20% affordable housing provision.	<p>70% Low-cost rent</p> <p>30% Intermediate</p>	Financial contribution

- g. Demonstrate that they have taken account of the strategic 50% target and have sought grant where required to increase the level of affordable housing beyond 35%.
- h. Applicants should present data for all housing tenures proposed in their scheme as a percentage of total residential provision in three ways: as the number of homes (units), habitable rooms, and floorspace.
- i. For schemes of 10 homes and above, affordable housing is required to be provided on-site. In exceptional circumstances, where the applicant has robustly demonstrated to the council that on-site provision is not feasible, we may consider a financial contribution equivalent. This justification must include the provision of a detailed financial appraisal. For these schemes, off-site and cash in lieu schemes must accord with the requirements set out in The London Plan and the Mayor’s Affordable Housing and Viability SPG (Supplementary Planning Guidance) (2017) or subsequent updates to these.

- j. All affordable housing provided by the scheme must be affordable in perpetuity and secured via planning obligation (Section 106 agreement or appropriate legal deed).

¹ In the London Plan the 35 per cent threshold level will be monitored and reviewed in 2021 to determine whether this threshold should be increased and proposals will need to have regard to this.

Justification

Access to decent homes

11.1.1. National and regional guidance acknowledged that being able to access decent affordable accommodation is a major factor in improving health and wellbeing (including mental health). Accommodation standards and affordability have a strong influence on other issues which contribute to quality of life, including health (including mental health) and wellbeing, crime, education and skills. Merton's Strategic Housing Needs assessment (SHNA) (July 2019), identified a notable and pressing need for affordable homes.

11.1.2. There are marked differences in quality of life between different communities within Merton. The wards in the east of the borough (Abbey, Colliers Wood, Cricket Green, Figges Marsh, Lavender Fields, Pollards Hill and St Helier wards) have long-standing issues of multiple of deprivation and income deprivation, when compared to the wards in the more affluent west of the borough. There are some pockets of deprivation in the west. The Covid-19 pandemic, has not only highlighted these issues but, has widened the gap between the west and east of the borough.

11.1.3. Merton is one of the most diverse boroughs in terms of house prices as it has both more affluent neighbourhoods in the west of the borough (e.g. Wimbledon) and respectively more affordable east of the borough (e.g. Mitcham). Merton's median housing value reached £460,000. This is above both the national (£222,000) and the regional (£450,000) equivalents. It is also higher than the Outer London equivalent of £397,500. Over the last 5, 10 and 15 years Merton's house prices have grown quicker than England and the Outer London Region.

Affordable housing tenure

11.1.4. Low cost rented tenure consists of Social Rented homes and London Affordable Rent. **Intermediate tenure** includes Intermediate Rent and Affordable Home Ownership products such as London Living Rent. All affordable tenures are as defined in the London Plan or any subsequent updates to it. We are committed to ensuring delivery of genuinely affordable housing and rents for both Social Rent homes and London Affordable Rent that are significantly less than 80% of market rents, which is the maximum for Affordable rent permitted by the NPPF (National Planning Policy Framework).

11.1.5. We expect the low cost rented tenure requirement of policy H4.1 to be delivered primarily as social rented housing to better address the overwhelming housing need in Merton. We support affordable housing which genuinely addresses those in housing need in Merton – that is at household income levels below £38,400, or concerning low cost/intermediate rent

and affordable homeownership that meet the rent levels and prices set out in figs 4.1.1, 4.1.2 and 4.1.3 or subsequent updates to these.

Low cost and intermediate rent levels

11.1.6. [Merton's Strategic Housing Needs Assessment \(SHNA\) \(2019\)](#) identified that any household with an income below £38,400 would not be able to afford a lower quartile rent without some degree of subsidy. It also identified a need for around 878-1,084 homes per annum – this is for subsidised housing at a cost below that to access the private rented sector (i.e. for households unable to access any form of market housing without some form of subsidy and at a household income below £38,400).

11.1.7. Merton's SHNA analysis sets out appropriate affordable rent (termed as living rents in the SHNA) for different sizes of accommodation in different locations based on local incomes and housing costs in Merton. The analysis shows rents starting at about £400 for a 1-bedroom home (in Mitcham) and rising to over £800 for homes with 3-bedrooms. None of these figures have been capped by Local Housing Allowance (LHA) as the maximum LHA is higher than the affordable rent levels for all sizes and locations in Merton. Rents above LHA should be avoided to ensure housing is affordable to those needing to claim Housing Benefit.

	1-bedroom	2-bedroom	3-bedrooms
Mitcham	£401	£522	£642
Morden	£422	£548	£675
Raynes Park	£467	£607	£747
SW/CW	£474	£616	£758
Wimbledon	£514	£669	£823
Total	£449	£583	£718

Source: ASHE and Living Rents methodology

Figure 4.1.1 Living rents (per month)

11.1.8. For the purposes of testing potential levels of affordable housing to inform Merton's Local Plan, [Merton's Local Plan Viability Study \(2020\)](#) assumed affordable rents that do not exceed London Affordable rents as shown in Fig 4.1.2. These rents are broadly equivalent to social/ target rents. In the study London Living Rent tenure was based on the lower end GLA benchmark rents for Merton for that tenure. For schemes proposing London Living Rent we will have regard to these benchmark rents.

Rent type	1 bed	2 bed	3 bed	4 bed
London Affordable Rent (2020/21)	£159.32	£168.67	£178.05	£187.05
London Living Rent (intermediate tenure) ¹⁶	£182.51	£202.79	£223.07	£243.35

Figure 4.1.2 Affordable housing rents (per week)

Affordable home ownership

11.1.9. We seek 10% of all housing on sites of 10 homes and above to be affordable home ownership (as set out in the NPPF). However, given that the main analysis of affordable need also showed a notable level of need, involving households who cannot afford anything in the market without subsidy, there is no basis to increase the provision of affordable home ownership above the 10% figure. As exceeding this figure would impact the delivery of affordable housing of those in a more acute need.

11.1.10. We will expect affordable home ownership to meet local incomes and local housing costs. Merton’s SHNA recommends that prices should be set at a level which (in income terms) are equivalent to the levels needed to access private rented housing in Merton.

11.1.11. Figure 4.1.3 from Merton’s SHNA analysis, sets out a suggested purchase price for affordable home ownership in the borough. The figures are based on trying to roughly equate a sale price with an equivalent access point to the private rental market. This shows across the Borough a one-bedroom ‘affordable’ price of about £149,000 rising to almost £300,000 for homes with four or more bedrooms.

	1-bedroom	2-bedroom	3-bedroom	4+-bedroom
Mitcham	£129,000	£162,000	£195,000	£229,000
Morden	£129,000	£165,000	£195,000	£229,000
Raynes Park	£160,000	£178,000	£227,000	£330,000
SW/CW	£149,000	£184,000	£233,000	£280,000
Wimbledon	£170,000	£204,700	£263,000	£413,000
Borough-wide	£149,000	£184,900	£220,000	£299,000

Source: Derived from Valuation Office Agency data

Figure 4.1.3 Affordable housing home ownership prices (aligned with the cost of accessing private rented sector) – data for the year to March 2018)

11.1.12. Merton’s SHNA recommends that given the high level of need shown, based on households unable to buy or rent in the market the council should consider London Living Rents (which can provide a route into home ownership) ahead of shared ownership as a preferred form of intermediate housing. Merton’s SHNA also recommends that if, for viability purposes shared ownership is included this should not make up more than 10% of homes on any individual site. Whilst London Shared Ownership is classes as an affordable tenure (in line with both the London Plan and the NPPF) it is likely to be the tenure that is available to the fewest number of households with a need due to having higher housing costs.

11.1.13. We will have regard to the purchase prices for affordable home ownership, intermediate and low-cost rent levels set out in Merton’s SHNA, and subsequent updates to this information, in its assessment of submitted schemes aimed at achieving provision of genuinely affordable homes that more appropriately addresses affordable housing needs in Merton.

First Homes

11.1.14. First Homes are a form of discounted market sales housing and to be considered as such must meet the requirements set out in the MHCLG Ministerial Statement published on 24th May 2021 [Written statements - Written questions, answers and statements - UK Parliament](#) and the definition and eligibility requirements set out in NPPG Guidance [First Homes - GOV.UK \(www.gov.uk\)](#). First Homes are the government’s preferred discounted market tenure and are required to account for at least 25% of all affordable housing homes delivered by developers through planning obligations. First Homes are an intermediate tenure therefore in accordance with government requirements, proposals for new homes will be considered against the intermediate tenure split element of Policy H11.1(Housing Choice).

Delivery of affordable homes

- 11.1.15.** Merton is a borough of small sites. On average over the last 12 years more than 90% of the planning applications for new homes submitted to Merton Council were for sites of less than 10 homes. As the London Plan and Merton's previous policy only applied to developments of 10 homes or more, this means that very few developments were eligible to provide affordable housing through the planning system.
- 11.1.16.** For example, Merton's Annual Monitor Report 2018/19 indicates that in 2018-19 only one development was built in Merton that was greater than 10 homes, and this development was for 11 homes. From this one development five affordable homes were built which totalled a 45% contribution towards affordable housing from the site, above the borough's 40% target. The delivery of affordable housing has been affected by the introduction of Prior Approval rights to convert office, retail and storage premises to residential use without the need for full planning permission. This is particularly evident in the financial years 2015/2016 and 2016/2017 where 47% and 36% of the total number of homes built in those years was via prior approval.
- 11.1.17.** Merton is experiencing an increasing number of schemes proposing 100% intermediate housing, as the affordable housing proportion of the scheme, which is contrary to Merton's policy requirement. The reasons provided by proposers is that this is what can be viably delivered and that there is a lack of interest from Registered Providers in managing low cost rented homes in preference to shared ownership homes which they consider a more attractive product. This is evidenced by the fact that Registered Providers in Merton are willing to purchase additional shared ownership homes than what the GLA can offer grant for. However, this situation poses a deliverability mismatch as there is overwhelming needs in Merton for low-cost affordable housing. This illustrates a tension that exists between viability and addressing housing needs.
- 11.1.18.** Merton's SHNA supports the introduction of a 70 / 30 split between low cost rented and intermediate which better benefits people most in need and reflects the unmet affordable housing need to be addressed. This tension is acknowledged in the London Plan which states at paragraph 4.6.1: the 2017 SHMA [Strategic Housing Market Assessment] shows London's significant need for low-cost rental housing, however, the current national funding programme reflected in the Mayor's current Affordable Homes Programme (2016-2021) is focused on intermediate products which limits the Mayor's ability to require higher levels of low-cost rented accommodation. It is however noted that the Mayor's new Affordable Homes Programme (2021-2026) which runs concurrently to the current one, makes funding available for social rent products which should help alleviate this issue.

Financial contributions in lieu of affordable housing provision

- 11.1.19.** Off-site provision or in lieu financial contributions secured via legal agreements should provide no financial benefit to the applicant relative to on-site provision and review mechanisms will be included in accordance with the Viability Test Route (VTR) as set out in paragraph 4.4.13 of the London Plan and / or via any guidance provided on Merton's website or subsequent updates to these. Provision of affordable housing on all small sites of 2-9 homes (gross), will be as a financial in lieu payment. For schemes proposing 10 or more homes (gross), viability alone is insufficient justification for off-site affordable housing provision or a cash in lieu payment. Only in exceptional circumstances for schemes proposing 10 or more homes (gross) will the provision of affordable housing off-site or as a financial contribution in lieu of provision on site be considered subject to demonstrating to our satisfaction that this exception is justified.
- 11.1.20.** All schemes which propose off-site affordable housing or cash in lieu payments are required to provide a detailed viability assessment as part of the justification that these proposals are acceptable, in accordance with London Plan and Merton's Local Plan policies.
- 11.1.21.** The value of the in lieu payment should be based on the relevant threshold as a percentage of on-site homes. The payment in lieu should be calculated through two appraisals – one with the level of affordable housing required by policy and the other with 100% market housing: The payment in lieu will equate to the difference between the two residual values. Applicants should use the methodology set out in para.
- 11.1.22.** Affordable housing monetary contributions in lieu of on-site provision will be calculated on a case-by-case basis according to the following formula:

$$\mathbf{A-B=C}$$

Where:

A= value of the proposed development assuming 100% of the residential homes are provided as private housing.

B= the value that would otherwise have been achieved by the proposed development incorporating affordable housing in accordance with the affordable housing policy requirement.

C= payment in lieu.

11.1.23. We hold cash in lieu in a separate affordable housing ringfenced pot to enable resources to be pooled to provide greater or more appropriate new affordable housing provision to be made off-site, either on an identified site or as part of an agreed programme in compliance with the statutory tests for use of planning obligations. The information on off-site and cash in lieu delivery is monitored and published as part of Merton's annual Infrastructure Funding Statement.

Dwelling conversions

- 11.1.24.** Merton's Authority Monitoring Report 2018 / 2019 indicates that in the past five years the number of conversion schemes of family homes to smaller sized homes has increased. The supply of one and two bedroom homes significantly exceed the number of three or more bedrooms. In 2018/9, 11% of new housing consisted of studios, 33% one bedroom, 33% were two bedrooms and only 20% were three or more bedrooms. On this basis it is evident that the anticipated number of three-bedroom homes has not been achieved whilst the number of one and two bedroom homes were significantly exceeded.
- 11.1.25.** The conversion of existing single dwellings into two or more smaller homes typically involves the intensification of Merton's suburban housing stock, resulting in the loss of larger homes. Given the identified need for three-bedroom homes and the historical provision of smaller homes, we are seeking to retain the existing stock of family sized homes in Merton. Applications for conversion of existing family sized dwellings into two or more smaller homes must include the re-provision of at least one family sized unit. A family sized unit is defined as having three or more bedrooms.
- 11.1.26.** It is considered that the requirement for proposals involving the loss of a family home to include the re-provision of a new family home strikes a suitable balance between increasing housing density in appropriate areas, but not at the expense of a net loss in much needed existing family sized housing or achieving well-designed development that provides acceptable living conditions.
- 11.1.27.** Some single properties within the borough are too small to convert, as it is not physically possible to provide two or more homes with rooms of an adequate size, or with sufficient internal circulation space. To ensure that dwelling conversions produce residential homes of a high quality, all new dwellings including dwelling conversions must comply with the most appropriate minimum space standards.

Projected population

- 11.1.28.** We encourage the provision of a range of housing tenures, sizes and types to meet the needs of Merton's communities at all stages of life. Merton's SHNA indicates for the period 2017- 2035, the largest growth will be people aged 65 and over.
- 11.1.29.** In 2035 it is projected that the number of residents aged over 65 across Merton is projected to increase by a minimum of 46%. The population aged 85 and over is projected to increase by an even greater proportion, 52%. The London Plan 2021 suggests an annual need for 105 homes in Merton that are specifically designed for the needs of older people sheltered and Extra-care housing). Local research supports the view that the need set out in the London Plan 2021 for older person homes is appropriate for Merton.

11.1.30. Looking at the earlier stages of life, Merton’s SHNA shows that there is projected to be little change in the number of people aged under 15, compared with increases or decreases shown for other age groups. Focussing on the population aged 18-23 (student-age) the analysis below shows that there is projected to be some modest rise in the age group. In total it is projected that the number of people aged 18-23 will increase from 11,300 in 2017 up to 12,800 by 2035, an increase for around 1,500, or 13%.

Maximising affordable housing provision

11.1.31. New homes built under “prior approval” (i.e. without the need for planning permission) are exempt from affordable housing requirements and this further increases these challenging circumstances. Merton is also a borough of small sites due to historically fragmented land ownership. Over the last 10 years to 2017, over 90% of the planning applications Merton has received to build new homes, have been for sites of less than 10 homes, as the table below indicates (please note that the figures in the table below exclude prior approval applications).

2007-2017	Number of Schemes	%	Number of homes proposed.	%	Net gain	%
1-10 homes	1101	94%	2388	38%	1551	30%
11+ homes	71	6%	3887	62%	3621	70%
Total	1172	100%	6275	100%	5172	100%

11.1.32. Therefore, in order to optimise every possibility for providing new affordable homes taking into account the specific circumstances of Merton, it is considered essential to continue to maximise affordable housing provision opportunities, including from small sites, subject to viability.

11.1.33. We will pursue requirements from small sites as financial contributions, as in practice it is our experience that this is what can be delivered. Feedback from affordable housing providers and developers demonstrates that it is difficult to find affordable housing registered providers, willing to take small affordable housing schemes due to the additional costs of managing such sites.

11.1.34. All affordable housing provided within the borough will be subject to nomination agreements with Merton’s Partner Register Providers to ensure that they are occupied by persons nominated by the council. Agreements (currently s106 Agreements) used to

secure affordable housing homes should include provisions for those homes to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable provision.

Measuring affordable housing

11.1.35. Assessment of affordable housing proposals against our planning policy requirements will be measured as habitable rooms as defined by the London Plan. Habitable rooms in affordable and market elements of such schemes should be of a comparable size when averaged across the whole development. If this is not the case, it may be more appropriate to measure the provision of affordable housing using habitable floorspace as defined by the London Plan. Applicants should present affordable housing figures and all other housing types and tenures proposed as a percentage of total residential provision in habitable rooms, units and floorspace (both gross [GIA (Gross Internal Area)] and net internal area [NIA]) to enable comparison.

Fast track route

11.1.36. Planning applications that meet or exceed the relevant threshold level of affordable housing as set out in Local Plan policy H4.1, on site within their development as affordable housing without government grants will not be required to submit a viability appraisal. This is known as the fast-track route.

11.1.37. In seeking affordable housing provision, we will have regard to site characteristics such as site size, site suitability and economics of provision such as financial viability issues and other planning contributions.

11.1.38. In Merton's experience introduction of the Mayor's 'fast track route' has resulted in an unchanged position concerning the number of schemes submitted with viability appraisals. we will expect public subsidy / grant to be sought to increase the provision of affordable housing above the stated minimum threshold requirements of policy H11.1 (housing choice).

Policy No. H11.2

Housing Provision

We will aim to deliver a minimum of **11,732** additional homes for the period 2021/22 – 2035/36. This will be achieved by:

- a. Working with housing providers to optimise housing.
- b. Supporting the provision of well-designed new homes that create socially mixed and sustainable neighbourhoods.
- c. Supporting the delivery of well-designed new homes on large and small sites (a site area below 0.25 hectares in size), which optimise levels of residential density in accordance with the design-led approach set out in the London Plan Policy D6 and Merton's design code guidance; having regard to site context; connectivity and accessibility by walking and cycling and existing and planned public transport (including PTAL (Public Transport Accessibility Level)); and the capacity and provision of supporting infrastructure.
- d. Supporting the delivery of the small sites target of 261 new homes per year.
- e. Supporting the redevelopment of poor quality existing housing that does not result in a net loss of residential homes, or net loss of affordable housing homes or residential land or net loss resulting from the change of use of any type of housing to temporary sleeping accommodation on a permanent basis.
- f. Support proposals for custom, self-build and community-led housing which optimise the use of land and meet all relevant policy requirements, such as those for affordable housing.

Justification

11.2.1. We will encourage housing in sustainable brownfield locations. The 11,732 additional homes for the period 2021/22 – 2035/36 will come forward in Merton by:

- Bringing forward housing capacity through regeneration, including Morden town centre.
- Prioritising the development of previously developed land and ensuring it is used efficiently.
- Development of sites identified in Merton's Housing Trajectory.
- Development of windfall sites.
- Enabling mixed use development within the town centres.
- Bringing vacant properties back into use through Merton's empty homes strategy.
- Resisting the loss of housing to other uses.
- Preparing masterplans, development briefs and design guidance for larger housing sites.
- Demonstrating a continuous delivery of housing for at least 15 years as the Housing Trajectory sets out below.
- Setting out a 5-year supply of identified sites as shown in the Authority Monitoring Report.
- Monitoring housing provision levels through the Housing Trajectory within the Authority Monitoring Report.

11.2.2. Merton is a pro-growth borough and has substantial experience in delivering small sites over a long timeframe and throughout different economic and political cycles. Every year, between 85%-95% of Merton's planning applications for new homes are for small sites (sites of 10 homes or less). However, as each small site delivers fewer than 10 homes, small sites contribute about 50% of the overall number of homes built each year in Merton, with large sites (which make up usually less than 10% of the planning applications received) contributing the other 50% of homes built.

11.2.3. Merton's housing target, which is set out in the London Plan 2021, is 9,180 homes for the ten-year period 2019/20 to 2028/29 or 918 homes per annum. This is based on a detailed analysis of land availability and capacity across London that Merton worked with the GLA and all other London boroughs. The London Plan expects 261 homes of the 918 homes per annum to come forward on small sites. All housing development proposals will be required to meet the requirements of all relevant local plan policies including those contained in the following chapters: *Climate Change; Places and Spaces in a Growing Borough; Health and Well Being; Transport and Urban Mobility and Infrastructure.*

11.2.4. In recognition of the significant increase in housing delivery required by these targets, the London Plan states at paragraph 4.1.10, that these may be achieved gradually and encourages boroughs to set a realistic and where appropriate, stepped housing delivery target over a ten-year period. London Plan paragraph 4.1.11 states that if a target is needed beyond the 10-year period (2019/20 to 2028/29), boroughs should draw on the 2017 SHLAA findings which cover the period to 2041 and any local evidence of identified

capacity and roll forward the housing capacity assumptions applied in the London Plan for small sites. Figure 4.2.1 sets out Merton’s Housing Trajectory.

11.2.5. In accordance with the London Plan requirements and in consultation with and endorsed by the GLA, the housing trajectory set out in Figure 4.2.1 demonstrates how Merton’s housing target will be met for the Local Plan period 2021/22 – 2035/36 using a stepped housing delivery target.

11.2.6. Merton’s housing trajectory set out in Figure 4.2.1 is considered an appropriate approach for Merton as it sets out a realistic picture of housing delivery over the Local Plan period. A stepped housing delivery target is appropriate in Merton as there is a significant uplift in the level of housing target between emerging and previous policies, and several large sites will be delivered in phases.

11.2.7. As Figure 4.2.2 below indicates Merton’s annual housing target will be set at 775 homes per annum for the period 2021/22 – 2023/24, and then increase to 1,080 for the period 2024/25 – 2026/27, then further increase to 1,350 for the period 2027/28 – 2028/29.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Merton Local Plan target	775	775	775	1,080	1,080	1,080	1,350	1,350	8,265
London Plan target (including backlog)	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	8,265

Figure 4.2.2 Merton’s stepped housing delivery target

11.2.8. In accordance with London Plan paragraph 4.1.11, Merton’s target for the period 2029/30 to 2035/36 (3,466 total) is drawn from the 2017 SHLAA findings. This sets a target for the period 2029/30 to 2033/34 of 2,370 and for 2034/35 to 2035/36 of 1,096 as indicated in the following table:

Plan period	Target
2029/30 - 2033/34	2,370
2034/35 – 2035/36	1,096
2029/30 – 2035/36 Total	3,466

Merton Housing Trajectory 2021/22 - 2035/36

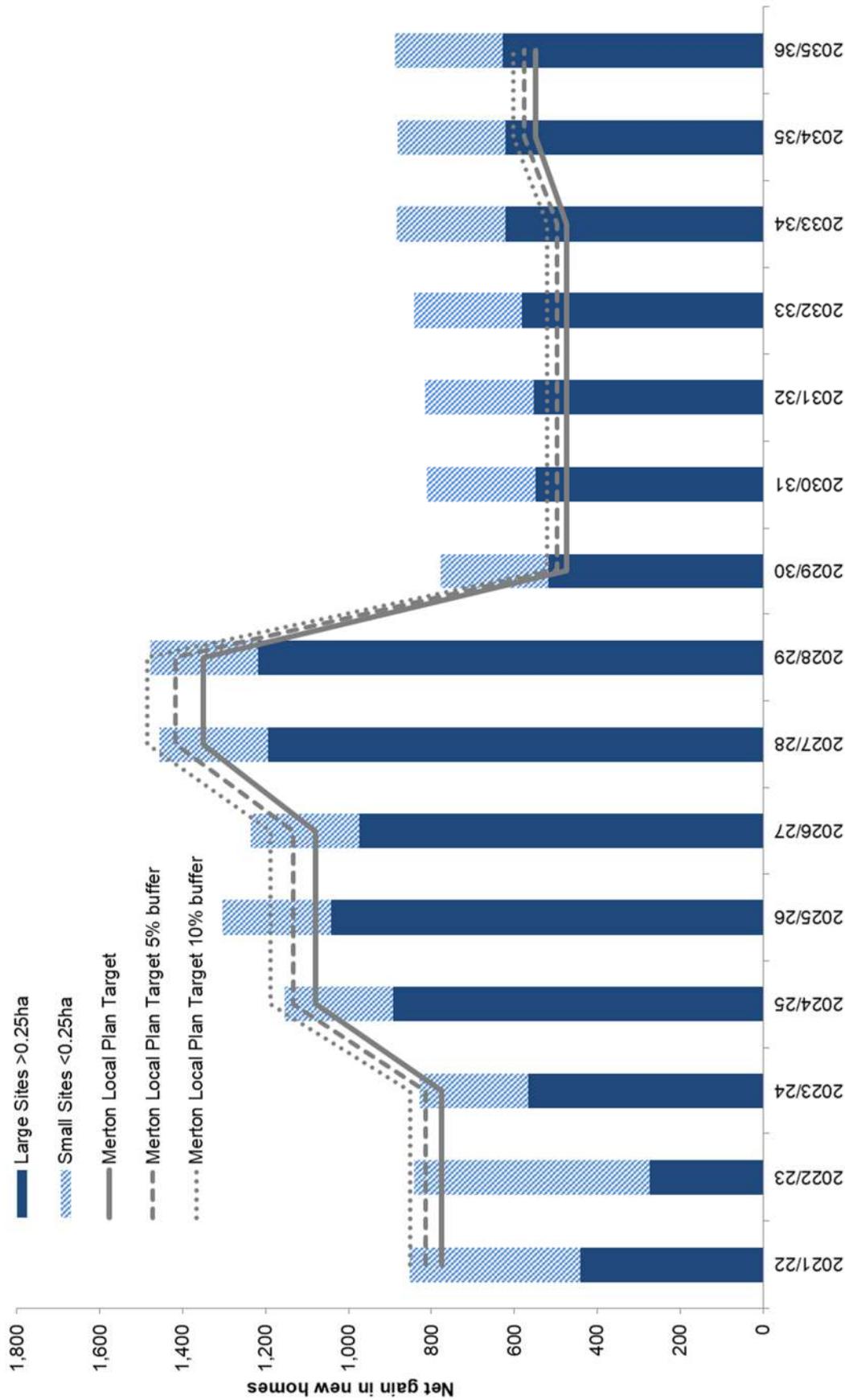
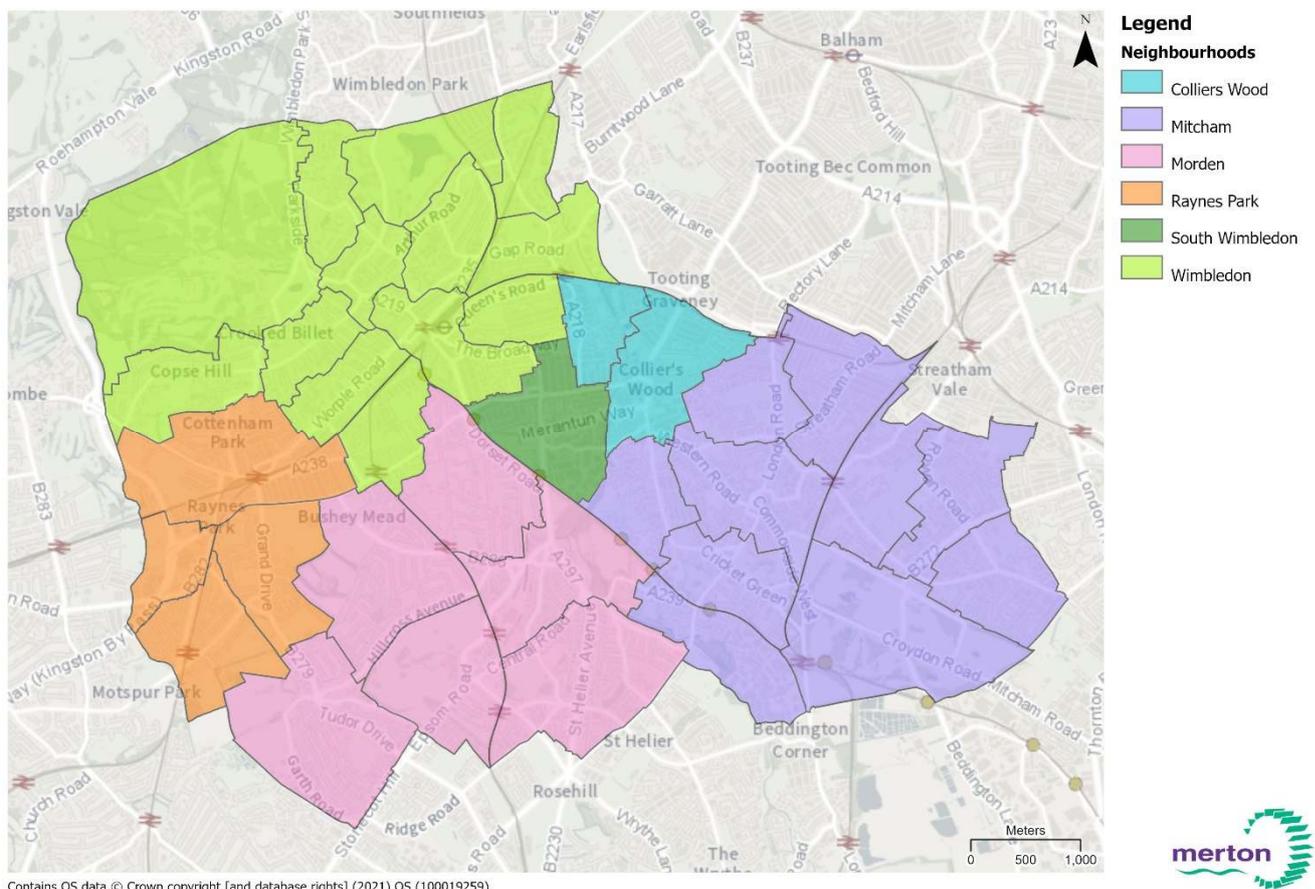


Figure 4.2.1 Merton's Housing Trajectory for the Plan period 2021/22 to 2035/36

11.2.9. Merton’s housing trajectory is supported by Merton’s Housing Delivery Test Actions Plan which includes details on the actions we can take to increase the rate and number of homes built in Merton. The delivery of sites will be monitored in Merton’s Authority Monitoring Report (AMR) and Merton’s Housing Delivery Test Action Plan.

11.2.10. The London Plan envisages that key town centres in the borough – Wimbledon, Mitcham, Morden and Colliers Wood – offer ‘high’ potential for residential growth (Table A1.1), with Wimbledon, Colliers Wood and South Wimbledon identified as an Opportunity Area which indicatively is expected to contribute 5,000 new homes and 6,000 jobs. The Opportunity Area homes figure is based on the 2017 SHLAA capacity from 2019 to 2041.

11.2.11. Assessment of projected housing over the Local Plan period by locality, indicates as set out in Fig. 4.2.3 that the majority of residential growth and associated infrastructure and social facilities will take place in Morden, Mitcham and Wimbledon which are characterised with good public transport access.



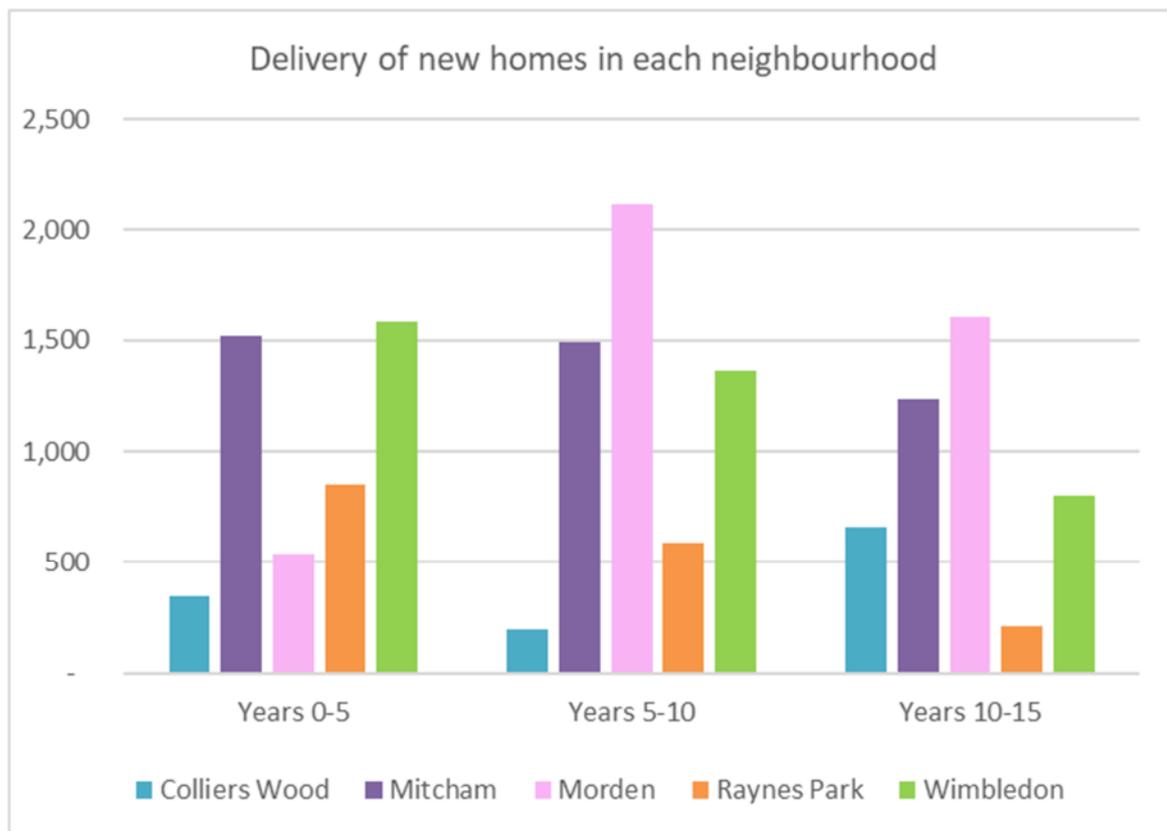


Figure 4.2.3 Delivery plan of new homes by neighbourhood

- 11.2.12. The regeneration of Morden town centre is a key priority for the council and the emerging Local Plan by means of policy N5.1 and site allocation Mo4, which seek to enable delivery of around 2,000 homes within the Morden Regeneration Zone.
- 11.2.13. Mitcham is proposed to accommodate a range of new homes, including major development sites of Eastfields and Ravensbury estates and other such as Benedict's Wharf. For Raynes Park larger sites close to Shannon Corner and incremental development within the surrounding neighbourhood will contribute to providing new homes. These are set out in more detail in the area-based policies within this Plan.
- 11.2.14. Wimbledon is similarly proposed to accommodate a range of new homes, including major development sites of Wimbledon Stadium, Wimbledon YMCA, and High Path estate regeneration.
- 11.2.15. Merton's Local Plan and accompanying proactive strategies that support future housing delivery, such as [Merton's Borough Character Study](#) and [Small Sites Toolkit](#), are pro-growth and geared towards optimising the provision of good quality and design-led

housing to meet this ambition. For a decade Merton have been allocating sites of any size i.e. no minimum small sites threshold and has taken forward initiatives including town centre regeneration, estate regeneration and modular construction of affordable homes. Merton will continue to bring forward and support these initiatives.

- 11.2.16.** [Merton's Borough Character Study SPD \(2021\)](#) identifies appropriate areas where there is potential for a range of sensitive and extensive character-led growth. At the heart of the study is to ensure that future shaping of the borough is informed by Merton's existing and unique character.
- 11.2.17.** [Merton's Small Sites Toolkit SPD \(2021\)](#) is designed to give designers and developers a clearer picture of what would be considered acceptable development on sites up to 0.25 hectares in the Borough. The toolkit will comprise of guidance notes, case studies and a design and access statement template. The guidance in the toolkit builds on the findings of the Character Study in providing contextual advice to applicants and their design teams. The guidance aims to encourage more development by giving a greater certainty of approval in addition to improving overall design quality.
- 11.2.18.** There are a number of factors outside of local planning authority control that influence housing delivery including macroeconomics, economic effects of Covid-19 house prices, land values, investment confidence and finance availability and unsecured funding for Crossrail 2. However, it is considered that our proactive strategies will contribute to support future housing delivery despite these factors.
- 11.2.19.** Due to the overwhelming need for permanent homes compared to temporary accommodation, we do not support short term rental residential accommodation (either purpose built or converted) such as apart-hotels on sites that are suitable for permanent housing.
- 11.2.20.** In accordance with government requirements we maintain a self-build register. As at June 2021 there were 104 individuals and 9 groups on the part 1 Self-Build Register (meets local connection criteria) and 132 individuals and 1 group on the part 2 Self-Build Register (without a local connection). 17 homes were granted self-build exemption from Community Infrastructure Levy (CIL) in the financial year 2019/20.
- 11.2.21.** Whilst self and custom build homes form part of the overall mix of housing, high demand for sites result in high land values making it challenging for self and custom builders to compete against other house builders to acquire available sites. As self and custom build homes are regarded by mortgage lenders as non-standard homes, obtaining a mortgage for these can be challenging and therefore this type of development is more reliant on self-financing.

11.2.22. As supported by the London Plan, Houses in Multiple Occupation (HMOs) contribute towards addressing needs. As with all homes, HMOs will be expected to meet good standards both for the occupiers and neighbours and we will have regard to relevant guidance in the assessment of HMOs including national guidance, the London Housing Design Standards, the GLA Housing Supplementary Planning Guidance.

Policy No. H11.3

Housing mix

Residential development proposals must contribute to meeting the needs of different households such as families with children, single person households and older people by providing a mix of dwelling sizes, taking account of the following borough level housing mix:

-	1 bed	2 bed	3+ bed
Borough wide	33%	33%	34%

The borough level housing mix will be applied having regard to relevant factors, including individual site circumstances, site location, identified local needs and economics of provision.

Justification

11.3.1. Research in London and in Merton shows that there is an overwhelming need in London and in Merton for all types and sizes of new homes. Like much of London overcrowding exist in Merton which need to be eliminated. The 2011 Census indicated that 9.2% of Merton’s households are in overcrowded accommodation. Assessment of housing delivery in the borough over the past 15 years indicates a disproportionately greater delivery of smaller homes compared to larger homes.

11.3.2. In 2018/19 11% of the new homes built were studio homes; 33% one bedroom, 33% were two bedrooms, 13% three bedrooms; 7% four bedrooms and 3% were unknown.

11.3.3. Merton’s SHNA sets out the size of housing required.

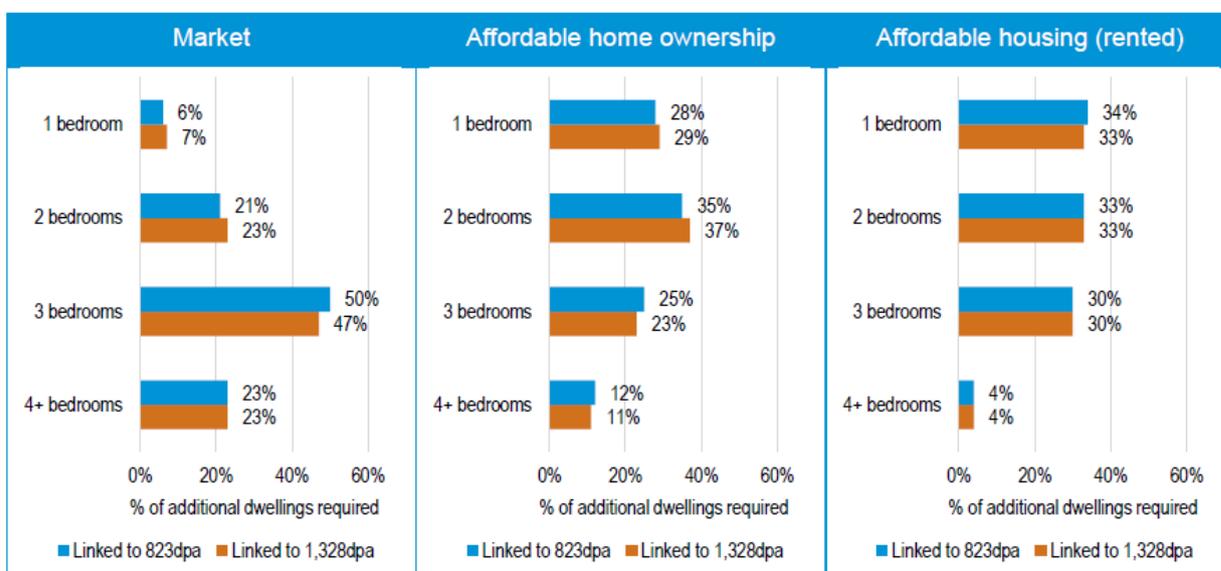


Figure 4.3.1 Size of housing required 2017 – 2035

11.3.4. It indicates that for affordable housing need is more heavily skewed towards smaller dwellings, and affordable home ownership sits somewhere in between the market and affordable (rented) housing but closer to the affordable rented sector. For market housing the need is skewed more heavily towards three and four bedroomed homes. Studio apartments do not adequately meet the housing needs of most households.

11.3.5. Analysis linked to the demographic change in the period to 2035 set out in Merton’s SHNA supports the housing mix set out in this Policy H11.3 as an appropriate mix. In the affordable sector it is recognised the role which delivery of family homes can play in releasing supply of smaller properties for other households; together with the limited

flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

- 11.3.6.** Based on Merton's SHNA evidence it is expected that the focus of new market housing provision will be on two and three bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2 and 3 beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.
- 11.3.7.** We are keen to encourage socially mixed, sustainable communities with a greater choice and mix in the size, type and location of housing. Schemes should seek to reflect the diversity of the local population, local needs and provide an appropriate mix of smaller and larger homes including houses and flats to meet a mix of different households such as single households, families with children and older people.
- 11.3.8.** In assessing development proposals, we will take account of the housing mix proportions set out above.
- 11.3.9.** This mix is informed by a number of factors, including, local housing needs research deliverability, viability, affordability, land availability and data concerning waiting lists.
- 11.3.10.** The borough level housing mix proportions will be applied having regard to relevant factors including individual site circumstances, site location, identified local needs, economics of provision such as financial viability and other planning contributions. Where a developer considers a site unsuitable to apply the borough level housing mix set out in this Policy H 11.3, the developer will be responsible for demonstrating why this is the case.
- 11.3.11.** Gated development may address security concerns; however, they restrict public access and therefore, choice. This is considered divisive as it reduces social, visual and physical permeability and actively works against engendering community and social cohesion.

Policy No. H11.4

Supported care housing for vulnerable people or secure residential institutions for people housed as part of the criminal justice system.

- a. The suitability of proposals for supported care housing will be assessed having regard to the following criteria:
 - i. Demonstrable need.
 - ii. The proximity of the site to public transport facilities.
 - iii. The provision of a safe and secure environment.
 - iv. The provision of an adequate level of amenity space which is safe and suitable.
 - v. The provision of adequate parking facilities for residents, staff and visitors.
 - vi. The convenience of the site's location in relation to local shops, services and community facilities.
 - vii. The quality of accommodation complies with all relevant standards for that use.
- b. Generally, proposals for supported care housing will be expected to provide affordable housing in accordance with *Strategic Policy H11.1 Housing Choice*, unless nominations for people in housing need can be made available through the council.
- c. We will resist development which results in the net loss of supported care housing for vulnerable people or secure residential institutions for people housed as part of the criminal justice system unless either:
 - i. adequate replacement accommodation satisfies criteria H11.4 a (i) to (vii) inclusive above; or,
 - ii. it can be demonstrated there is a surplus of the existing accommodation in the area; or,
 - iii. it can be demonstrated that the existing accommodation is incapable of meeting relevant standards for accommodation of this type.
- d. Where we are satisfied that the requirements of criterion (c) of this policy have been met, we will require that an equivalent amount of residential floorspace (Use Class C3) to be provided to help meet Merton's need for permanent homes. These proposals will be considered in respect to *Strategic Policy H11.1 Housing Choice*.

Justification

11.4.1. Policy H11.4 relates to any form of housing if it has been designated for use by vulnerable people or people being housed as part of the criminal justice system (bail / probation hostel) and commonly accommodates residents who get support from designated members of staff. It includes the following forms:

- Self-contained homes where vulnerable people, or people being housed as part of the criminal justice system live individually or as part of a family (usually in use class C3).
- Shared homes occupied by no more than 6 people (usually in Use Class C3 but where no care is provided on-site some fall within Use Class C4).
- Clusters of self-contained homes or self-contained homes / bedsits within a scheme designated for vulnerable people, where low intensity support is available, sometimes on site (usually in Use Class C3, depending on the nature of the support).
- Hostels for a number of households or individuals. The occupiers are usually linked in terms of circumstances or age group. There is usually a common management regime and some shared facilities. Hostels are outside any use class.
- Care homes and other supported accommodation where care is provided 24 hours a day (usually in Use Class C2).
- Secure residential institutions (usually under Use Class C2A).

11.4.2. This Policy H11.4 does not relate to:

- Self-contained homes that are suitable to meet general needs.
- Hostel accommodation aimed at other non-vulnerable groups such as students and backpackers; or,
- Other types of accommodation in Use Class C2 but not specifically for vulnerable people, such as hospitals, boarding schools, residential colleges and training centres.

11.4.3. Vulnerable people include those with physical and sensory impairment, a disability, drug and alcohol dependency or people who have experienced or are at risk of violence (e.g. domestic or hate crime).

- 11.4.4.** Care for the elderly, the vulnerable or disadvantaged groups and for persons with health problems, learning difficulties, mental illness or physical disabilities are becoming increasingly community-based. People are increasingly choosing to live in their own homes with some supported care and assistance, or in supported communities.
- 11.4.5.** Client groups living in supported accommodation include older people, homeless people with support needs; people with mental health problems; ex-offenders; people with physical disabilities and sensory impairment; people with learning disabilities; people with alcohol problems or HIV/AIDS, and people experiencing domestic violence or victims of hate crime.
- 11.4.6.** A variety of supported care accommodation is required for persons who require different levels of assistance, support or care in order to live independently. We encourage the provision of non-institutionalised supported care housing with self-contained facilities for which there is demonstrable need. Supported care housing may include sheltered accommodation, extra care housing, and other types of care homes, on-site accommodation for care workers, rehabilitation facilities, crisis response, as well as respite for carers.
- 11.4.7.** Generally, supported care housing will be located within easy access to shopping facilities and services in locations with good access to public transport, or with adequate on-site facilities, because of low car ownership and in some instances reduced mobility of the client group. This would be considered on a case-by-case basis having regard to a number of factors including the number of clients, staff and visitors and the likely mobility of the clients. Residential locations may be appropriate. Town or local centres may also provide suitable opportunities for provision, given the proximity of such locations to good public transport and local amenities, but this needs to be balanced against other relevant suitability factors e.g. noise.
- 11.4.8.** High quality design can help to provide design solutions (e.g. ramps and levelled changes) that overcome topological issues and provide accommodation that is fit for purpose.
- 11.4.9.** Supported care housing should incorporate designed security features that create a safe place to reside where opportunities for criminal behaviour are reduced. Design should consider the principles contained in government guidance on Safer Places Secured by Design guidance and Royal Town Planning Institute (RTPI) *Dementia and Town Planning: Creating better environments for people living with dementia* and other publications mentioned in the health and wellbeing policies in this plan.

- 11.4.10.** Housing sites that have a lower market value than those available for general market housing are rare. To help meet Merton's housing needs as identified in the London Plan, we will resist development that would involve the net loss of residential floorspace.
- 11.4.11.** Generally, proposals for supported care housing will be expected to provide affordable housing in accordance with this Local Plan's strategic policy H11.1 on Housing Choice, unless nominations for people in housing need with a reasonable preference on Merton's council housing waiting list, or people in housing need referred by one of our nomination panels for vulnerable people can be made available through the council.
- 11.4.12.** Where self-contained housing (e.g. sheltered housing categories 1, 2 and 2.5, and extra care housing) is proposed for occupants to buy, rent or lease we will seek affordable housing in accordance with Strategic Policy H11.1 Housing Choice. By contrast residential care institutions (usually in Use Class C2 / C2A) operate on a fee charging basis, with occupants not given a tenancy, and often moving in and out of these institutions depending on their care needs. Local authorities do refer people to care institutions, via adult social care services rather than from the Housing Register. As such it is unlikely that care institutions will be considered in respect to Strategic Policy H11.1 Housing Choice concerning affordable housing provision. However, we will assess all proposals on a case by case basis.
- 11.4.13.** Proposals must demonstrate that they cater for needs identified in a Local Housing Market Assessment or in an appropriate needs assessment such as that of a recognised public body. There is a recognition that the private sector also caters for those in housing need and that this role in partnership with the council is continuing to grow as this sector responds to the falling levels of public expenditure.

Policy No. H11.5

Student Housing, other housing with shared facilities and bedsits

- a. The development of student housing, other housing with shared facilities and bedsits is supported provided that the development:
- i. will not involve the loss of permanent housing.
 - ii. will not compromise capacity to meet the supply of land for additional self-contained homes.
 - iii. meets an identified local need.
 - iv. is well designed and positively contributes to residential character and amenity.
 - v. complies with all relevant standards for that use; and,
 - vi. is fully integrated into the residential surroundings.

Additionally, with regards to student housing.

- vii. caters for recognised educational establishments within a reasonable travelling distance.
- viii. provides purpose built dedicated floorspace that is managed for cultural or arts studios or activities.
- ix. during term-time, it is available exclusively to students.
- x. includes a range of layouts including those with shared facilities.
- xi. is located in an area well served by public transport concerning the recognised higher educational establishment it serves.
- xii. provides high quality cycle parking facilities.
- xiii. has an ownership or management arrangement secured by legal agreement in place with the recognised higher educational establishment it serves; and,

- xiv.** Ensure that at least 35% of the accommodation is secured as affordable student accommodation or 50% where the development is on public sector land or where redevelopment would result in a loss of industrial capacity as defined through the London Plan and associated guidance.
 - xv.** Where requirements in this policy H11.5 from (vii) to (xiv) inclusive cannot be demonstrated the proposal will be considered under Policy 11.1 Housing Choice in respect of affordable housing provision.
- b.** We will resist development which results in the net loss of student housing and other housing with shared facilities and bedsits unless either it can be demonstrated that:
- i.** there is a surplus of the existing accommodation in the area; or,
 - ii.** the existing accommodation is incapable of meeting relevant standards for accommodation of this type.
- c.** Where we are satisfied that the development results in the net loss of student housing, other housing with shared facilities or bedsits, is justified, we will require that an equivalent amount of residential floorspace or permanent self-contained housing in Use Class C3 to be provided and these proposals will be considered in respect to Strategic Policy H11.1 Housing Choice.

Justification

- 11.5.1.** This policy relates to student housing and housing with shared facilities and bedsits other than that to which Policy H11.4 applies (supported care housing for vulnerable people or people housed in secure residential institutions as part of the criminal justice system).
- 11.5.2.** A recognised higher educational establishment generally refers to those funded by the Higher Education Funding Council for England (HEFC). Wimbledon College of Art, Wimbledon is found within Merton. Additionally, there are several higher education establishments found wholly or partly within neighbouring south London boroughs which are Kingston University, Roehampton University, St George's Medical School and St Mary's University College Twickenham.
- 11.5.3.** Student accommodation is both a local and strategic issue. The provision of student housing, other housing with shared facilities and bedsits can make a useful contribution to creating mixed and inclusive communities and meeting London's housing need. However, addressing these demands should not compromise the borough's capacity to meet the relatively more pressing need for conventional permanent self-contained homes, affordable homes and family homes.
- 11.5.4.** Merton is currently meeting its share of London's general housing needs and can demonstrate a 5-year supply of deliverable housing sites. However, Merton is characterised by small sites for delivering new homes, which limits the opportunities to actively promote housing delivery.
- 11.5.5.** The need for more housing in the borough and the paucity of sites, particularly large sites, means that the provision of student housing could further worsen the challenge meeting the needs for permanent homes.
- 11.5.6.** There is an overwhelming need to provide additional conventional housing in Merton. It is considered that set within this challenging context, the requirement for student accommodation to caters for recognised educational establishments within Merton or neighbouring south London boroughs of Croydon, Lambeth, Kingston-upon-Thames, Richmond, Sutton and Wandsworth strikes a suitable balance towards meeting the Mayor's strategic and local requirements for student housing, whilst minimising the compromise on Merton's capacity for conventional homes. It is also important that the provision of new student accommodation is located close to their places of study, as inadequate provision would result in students having to travel long distances to attend their place of study contrary to sustainable development principles.

11.5.7. Housing with shared facilities form a significant part of the private rented stock in Merton. The precise definition of housing with shared facilities and bedsits is complex but includes the following groups:

- A bedsit where the bathroom is shared with tenants of other bedsits.
- A flat in a house whether bathroom facilities may or may not be shared with other tenants.
- A room in a shared house where the bathroom and kitchen facilities are shared with the tenants of the other rooms, but the tenants do not live with the other tenants as part of a 'household', for example don't cook for one another and eat together like a family would.
- Rented rooms provided by a resident landlord.
- Bed and breakfast hostels.

11.5.8. In line with the London Plan, we will resist the loss of permanent self-contained homes including its loss from conversion to short-stay accommodation intended for occupation for periods of less than 90 days.

11.5.9. Student housing, other housing with shared facilities and bedsits are often associated with a concentration of relatively short-term residents. We will assess these having regard to any existing concentrations in the area, the impact of new occupiers on local services and facilities and the wider housing mix. Possible concerns such as noise disturbance and increased demand on local facilities and public transport need to be carefully considered and addressed in relation to these proposals to ensure that adverse impacts on existing longer-term residents are minimised.

11.5.10. Schemes will be considered on a scheme by scheme basis having regard to census information, Merton's Authorities Monitoring Report and permissions for student housing schemes in the area.

11.5.11. Student housing can positively contribute to mitigating pressure on the stock of private rented homes in Merton provided that it is genuinely aimed at higher education establishments. We will use design mechanisms, planning conditions and / or legal agreements as appropriate to prevent lease, sale, use or occupation of the student accommodation as general market housing and to limit their term time occupation to students registered at higher education establishments that are based in Merton or the adjoining boroughs and supported by the Higher Education Funding Council for England.

11.5.12. Student housing developments will also be expected to provide adequate floorspace, usually on the ground floor of the development, which has favourable management terms for cultural or arts studios or other activities. Wimbledon School of Art is Merton's only third-level education provider, affiliated to the University of the Arts, London. We will encourage developer to work with specialist organisations that rent and manage floorspace dedicated arts and cultural activities.

Policy No. H11.6

Accommodation for Gypsies and Travellers

Existing legally established Gypsy and Traveller accommodation sites will be retained and protected from redevelopment except where the same number of pitches is provided on an alternative site in the borough.

Proposals for additional, alternative or new Gypsy and Traveller sites will be assessed having regard to the following criteria:

- a. The provision of on-site landscaping, which seeks to enhance the amenity of the site and which facilitates the integration of the site with the surrounding environment and amenity of occupiers of adjoining land.
- b. Access, proximity to a main road, parking and area to allow turning and manoeuvring.
- c. Proximity to shops, schools, health services and other community facilities.
- d. Provision of appropriate on-site facilities such as children's play facilities.
- e. The suitability of ground conditions, particularly in respect to the potential to flooding.
- f. The need or demand for accommodation provision and the available capacity on existing sites in the borough.

Justification

11.6.1. The council's Gypsies and Travellers site is located on Brickfield Road and is managed by Clarion Housing. Merton's Accommodation Needs Assessment of Gypsies and Travellers Research (2013), indicated that for the period of 2014 - 2019 re-letting of vacant pitches would address identified needs. There are no known Travelling Show people residing in Merton and no identified accommodation need for Travelling Show people plots within Merton.

11.6.2. In 2019 Merton's Gypsy and Traveller Accommodation Assessment (GTAA) was prepared to update the needs identified in the 2013 Study and how this will be addressed over the Local Plan period. The 2019 Study identified future accommodation need for the period 2019-2034 summarised in the following table below:

Table S.1: Summary of Gypsy and Traveller pitch needs 2019-34				
Period	2019-2024	2024-2029	2029-2034	Total
DLP	6	0	0	6
PPTS	0	0	0	0
Work	0	0	0	0

Source: GTAA 2019

DLP = assessment of needs based on the 2017 Draft London Plan definition, now out of date and replaced by 2021 London Plan

PPTS = assessment of need in Merton based on government's 2015 Planning Policy for Travellers (still in date)

Work = assessment of needs in Merton based on travellers working in Merton (still in date)

11.6.3. The 2019 Study identified that in relation to Gypsies and Travellers, the main drivers of need, based upon the then 2017 Draft London Plan definition (DLP), were from 'hidden' (or 'concealed' families) and psychological aversion of households living in bricks and mortar accommodation.

11.6.4. With the exception of the 2017 Draft London Plan (DLP) based need within the first five years, the accommodation need arising over the 15 years is all counterbalanced by additional supply emerging over the 15 years (including vacant pitches and pitches becoming vacant over time). With the exception of the need of 6 based on the 2017 Draft London Plan definition, there is no additional need for the local authority to address.

11.6.5. The 2019 Study identified no known Travelling Showpeople residing in Merton and as such no need for plots within the Borough for them. For transit provision it recommended

that a corporate policy be established to address negotiated stopping places for small scale transient encampments, and that it continues to work with local authorities across the sub-region to provide new transit provision.

11.6.6. Since the 2019 Study was completed, the London Plan was published in March 2021. The Examination in Public Inspector's report recommended, that the definition of Gypsies and Travellers in the 2017 Draft London Plan should be consistent with national policy (2015 Planning and Policy for Travellers Sites – PPTS). The 2021 London Plan reflects the Examination in Public Inspector's recommendation. As a result, the implications for the 2019 Study findings regarding the need for 6 additional pitches in Merton are no longer valid.

Policy No. H11.7

Build to rent.

Built to Rent schemes must provide:

- a. A minimum of 50 homes.
- b. A mix of housing sizes to reflect local need for rented property.
- c. Up to 3-year tenancies with longer tenancies (three years or more) being available to all tenants. Tenancies should have a six-month break clause in the tenants favour and pre-agreed structured and limited in-tenancy rent increases.
- d. The homes are secured as Build to Rent under a covenant for a minimum period of 15 years.
- e. Security and professional management of the homes.

Development of Build to Rent schemes must meet the requirements of London Plan policy H11 and the Mayor of London's Affordable Housing and Viability SPG (2017), with the intention of maximising the viable supply of affordable homes (known as the affordable housing requirement). In Merton, Build to Rent schemes must meet the following affordable housing requirements:

- f. To follow the Fast-Track Route, Build to Rent Schemes must deliver a minimum of 35% affordable housing provision or 50% where the development is on public sector land or where redevelopment would result in a loss of industrial capacity, comprising of a tenure of at least 30% affordable housing provision at London Living rent equivalent level with the remainder at a range of genuinely affordable rents to meet priority housing need in Merton. If these requirements are not met, the scheme must follow the Viability Tested Route.
- g. The council's nomination rights to secure nomination of tenants to specified affordable homes and the management and monitoring arrangements will be secured via planning obligation (s106 legal agreements) or other appropriate legal deed. All affordable housing elements of the scheme must be affordable in perpetuity.
- h. A clawback mechanism must be in place that ensures that where any of the Built to Rent homes are sold within the 15 years this will trigger a penalty charge towards affordable housing provision in accordance with Policy H4.7(f).
- i. Where the requirements of H11.7(f) above are not met, schemes must follow the Viability Tested Route requirements set out in London Plan Policy H5 and The Mayor of London's

Affordable Housing and Viability SPG (2017). Viability Assessments should include taking account of the differences between development value of the Build to Rent scheme and Build for Sale scheme and be undertaken in line with the Mayor of London's Affordable Housing and Viability SPG (2017).

Justification

- 11.7.1.** Build to Rent schemes contribute to increasing the range and offer of homes available to Londoners which is supported. Build to Rent schemes must provide at least 50 homes in accordance with the requirements of London Plan policy H11.
- 11.7.2.** Build to Rent schemes may be attractive to potential tenants given the longer tenancies and on-site maintenance teams. However, these unique features of build to rent can result in higher than average rental costs, worsening an already critical issue for many renters, especially in London.
- 11.7.3.** Given the borough's limited land availability and the significant need for more housing, and in particular the pressing need for affordable housing that genuinely addresses those in housing need in Merton, we support the incentives and approach set out in London Plan Policy H11 to encourage affordable housing provision as part of Build to Rent schemes.
- 11.7.4.** By having nomination rights, we will help to ensure that prospective tenants have been appropriately vetted as in genuine need in terms of the inability to access rented accommodation on the open market locally.