



HOUSING ANNUAL POSITION STATEMENT

LOCAL AUTHORITY: LONDON BOROUGH OF MERTON

LAST UPDATED: NOVEMBER 2021

Introduction

- 1.1. This Annual Position Statement summarises Merton's housing supply position for the five-year period 2021/22-2025/26 and the fifteen-year period 2021/22-2035/36. It has been produced with the latest information available in November 2021. An updated position on Merton's housing supply is also provided each year in the Annual Monitoring Report which is published on Merton's website.

Housing requirement

- 1.2. Merton's housing need, which is set out in the London Strategic Housing Land Availability Assessment 2017 (SHLAA), 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.
- 1.3. 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.
- 1.4. In accordance with the London Plan requirements and in consultation with and endorsed by the GLA, the housing trajectory set out in **Graph 4** demonstrates how Merton's London Plan housing need will be met for the Local Plan period 2021/22 – 2035/36 using a stepped housing delivery target. Merton's housing trajectory 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.
- 1.5. Merton's New Local Plan proposes that the annual housing target will be set at 718 homes per annum for the period 2021/22 – 2023/24, and then increase to 1,100 for the period 2024/25 – 2026/27, then further increase to 1,328 for the period 2027/28 – 2028/29. This ensures that the total local need in the SHLAA (2017) of 7,344 new homes from 2021/22-2028/29 plus the shortfall of 766 new homes from 2019/20 and 2020/21 is met.
- 1.6. 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 SHLAA (2017) findings. This sets an annual target for the period 2029/30 to 2033/34 of 474 and for 2034/35 to 2035/36 of 548.
- 1.7. As at November 2021, Merton's Local Plan production is between Regulation 18 and Regulation 19 and the proposed stepped trajectory approach has not been considered at examination, which is required to confirm a five year land supply in accordance with the NPPF and NPPG. **Therefore, for monitoring purposes and decision taking at this time the New London Plan target of 918 new homes will be used for the five-year supply period 2021/22 to 2025/26.**

Five-year supply

- 1.8. The National Planning Policy Framework requires Councils to identify a supply of specific 'deliverable' sites sufficient to provide five years' worth of housing with an additional buffer of 5% to provide choice and competition.
- 1.9. All of the sites included in Merton's five-year land supply are considered to be deliverable under the NPPF definition:

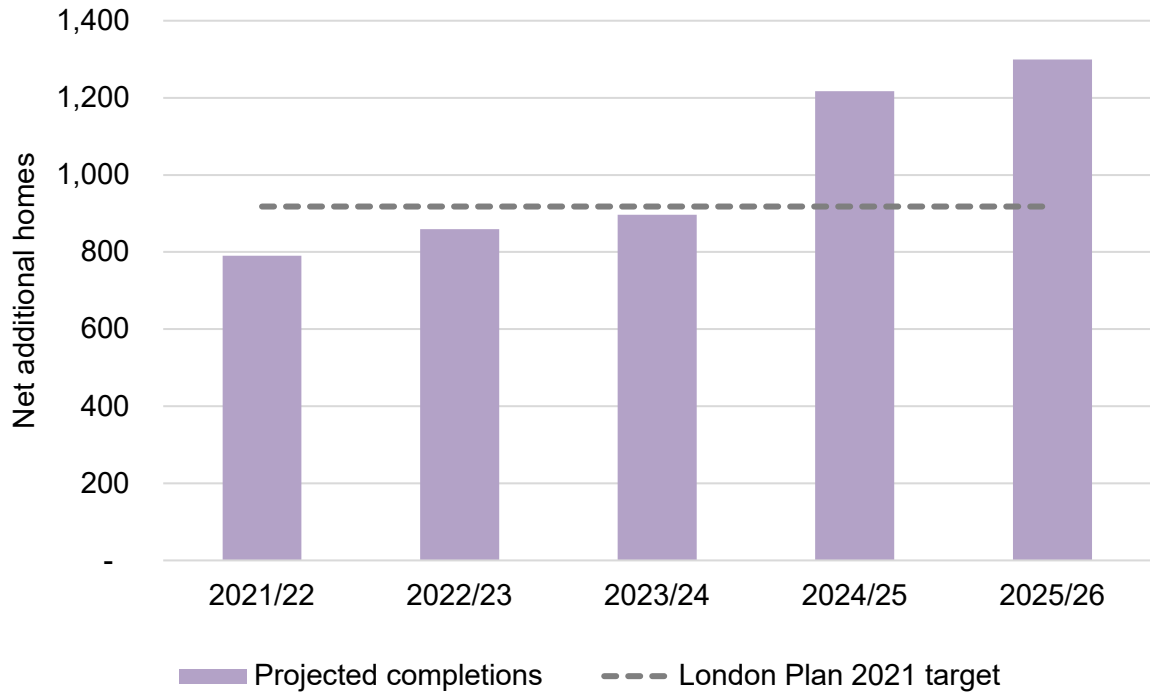
To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

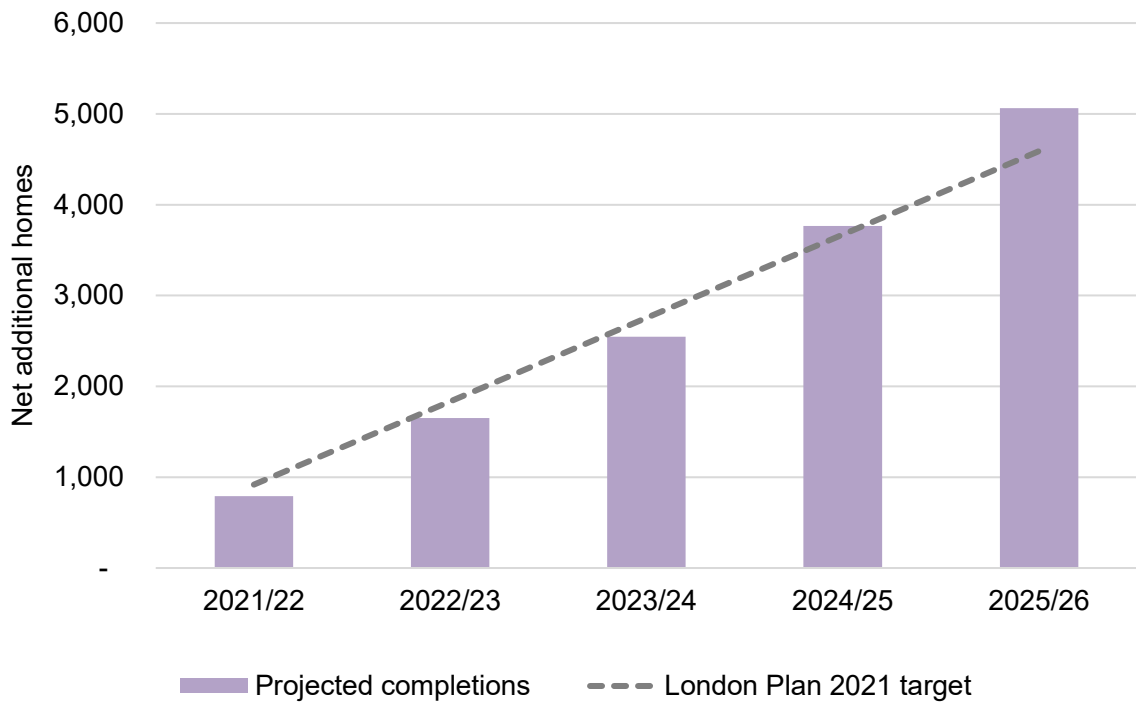
b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

- 1.10. A modelled small site assumption of 261 new homes per year has been added to the identified sites in Merton's Housing Trajectory from 2023/2024 in accordance with the implementation of the new London Plan target. Sites with permission where the site area is <0.25ha have been removed from the 261 annual assumption to avoid double counting.
- 1.11. A modelled small site assumption of 261 new homes per year has been added to the identified sites in Merton's Housing Trajectory from 2023/2024 in accordance with the implementation of the new London Plan target, as set out in Para 174 of the EIP Inspector's Report. Sites in the trajectory where the site area is less than 0.25ha have been removed from the windfall assumption from 2023/2024 onwards to avoid double counting. There is compelling evidence that windfall sites will continue to come forward.
- 1.12. Merton is a borough of small sites and historically delivers more than 261 new homes each year on sites of less than 0.25ha. For example:
 - in FY18-19, 272 new homes were built on sites of less than 0.25ha;
 - in FY19-20, 283 new homes were built on sites of less than 0.25ha;
 - In FY20-21, 302 new homes were built on sites of less than 0.25ha.
- 1.13. Therefore, it is a reasonable and conservative approach, supported by evidence to use the London Plan windfall assumption of 261 new homes being built per year on small sites in Merton's 15-year housing trajectory.
- 1.14. The **five-year supply** covers the period from the financial years **2021/22 to 2025/26**. The target for the total number of new homes over this period is **4,590 homes**. Merton can demonstrate a supply of **5,063 new homes** that will be built within the next five years. Therefore Merton has **110% supply**, equivalent of **5.5 years**. The projected completions against the 918 target are shown on an annual basis in **Graph 1** and cumulatively in **Graph 2**.

Graph 1: Five-year supply 2021-2026



Graph 2: Cumulative five-year supply 2021-2026



1.15. A summary of the types of sites and the proposed net gain of new homes is shown in **Table 3** below. This states that:

- 61% of the supply is on permissioned sites, of which 31% have already started construction;
- 6% on sites that have been through extensive pre-application and are recommended for approval and there is evidence they will be delivered before April 2026;
- 11% on sites currently going through the pre-application process, are suitable and available for housing, with evidence they will complete before April 2026;
- 5% on sites that are site allocations in the New Local Plan where there is evidence from the site owner/developer that they are available and deliverable within the five-year period. This includes sites where there have been early discussions with landowners and will soon start the pre-application process;
- 1% on sites that were part of the SHLAA (2017) and correspondence has been received from the landowner/developer stating their intention to deliver housing on the site within the five-year period. This includes early informal pre-application discussions and responses to the New Local Plan.
- 15% remaining small sites windfall as defined by the New London Plan 2021.

Table 3: Sources of supply

Site status	Net gain new homes	% of supply
Completed in FY21/22	7	<1%
Permissioned and Started	1,582	31%
Permissioned and Not Started	1,523	30%
Submitted	308	6%
Pre-application	586	11%
Site allocation	272	5%
SHLAA (2017)	61	1%
Small Sites assumption	783	15%
Total	5,120	100%

15 year housing trajectory

- 1.16. Merton will aim to deliver a minimum of 11,576 additional homes for the 15 year plan period 2021/22 – 2035/36 to meet the local housing need defined by the London SHLAA (2017). Merton’s housing requirement for the 15-year period has been calculated using the SHLAA target of 7,344 new homes from 2021/22-2028/29, 3,466 new homes from 2029/30-2035/36 and 766 additional new homes to make up for the shortfall in delivery in 2019/20-2020/21.
- 1.17. Overall, Merton has identified sites with capacity to deliver 118% of the local housing requirement for the Local Plan period. This gives greater confidence that sites should be available to deliver, subject to the market being able to support sustained delivery.
- 1.18. In accordance with the London Plan requirements and in consultation with and endorsed by the GLA, the housing trajectory set out in **Graph 4** demonstrates how Merton’s housing target will be met for the Local Plan period 2021/22 – 2035/36 using a stepped housing delivery target. Merton’s housing trajectory 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.
- 1.19. **Table 4** below indicates Merton’s annual housing target will be set at 750 homes per annum for the period 2021/22, increasing to 800 for the period 2022/23 – 2023/24, and then increase to 1,110 for the period 2024/25-2025/26, and then to 1,180 for the period 2026/27-2028/29. This ensures that the total local need in the 2017 SHLAA of 7,344 new homes from 2021/22-2028/29 plus the shortfall of 766 new homes delivered against the London Plan target from 2019/20 and 2020/21 is met.

Table 4: Merton’s stepped housing delivery target for the remaining London Plan period

	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	Shortfall from 2019/20 and 2020/21	Total
Merton Local Plan target	750	800	800	1,110	1,110	1,180	1,180	1,180		8,110
London Plan target	918	918	918	918	918	918	918	918	766	8,110

- 1.20. We will ensure that Merton’s’ housing requirement is met 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 the council'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.

- 1.21. 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.
- 1.22. The regeneration of Morden town centre is a key priority for the council and the emerging Local Plan by means of policy N3.3 and site allocation Mo1, which seek to enable delivery of around 2,000 homes within the Morden Regeneration Zone.
- 1.23. 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.
- 1.24. 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.
- 1.25. Merton's Local Plan and accompanying proactive strategies that support future housing delivery, such as Merton's 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.
- 1.26. Merton's 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.
- 1.27. The 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.

- 1.28. 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 the council's proactive strategies will contribute to support future housing delivery despite these factors.
- 1.29. Merton's housing trajectory is supported by Merton's Housing Delivery Test Action Plan which includes details on the actions the council 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.

Graph 4: Merton 15 year housing trajectory

Merton Housing Trajectory 2021/22 - 2035/36

