

2013 SHLAA Methodology April 2013

Background

1. The London Plan includes a commitment to review current housing targets by 2015/16. This SHLAA will provide evidence for Further Alterations to the London Plan which will include new housing targets.
2. The last SHLAA/ Housing Capacity Study was undertaken in 2009. The results of this study provided the basis for the housing targets in the 2011 London Plan. The approach to the 2013 study largely follows that of the 2009 study, which was found to be robust at EIP as a refinement of national SHLAA guidance which takes into account the unique circumstances of the London housing market area.
3. This paper sets out the proposed methodology for the 2013 SHLAA. The amendments proposed reflect feedback from the scoping report circulated in summer 2012, detailed discussions at the SHLAA Steering group and Technical sub group and the requirements of the NPPF which places an increased emphasis on meeting objectively assessed housing needs.

Context to the study

4. The 2011 Census found that the population of London was 8.17m, which means London's population is growing faster than was forecast at the time of the development of the 2011 London Plan. The most recent GLA projections suggest London's population could grow to between 9.9 million -10.3 million by 2036, which will have significant implications for the numbers of new homes required. While we are still in the process of undertaking work to understand what this population growth means for housing need and demand in London, we can be confident that this level of population growth, means London needs significantly more homes than the 32,210 per annum minimum provision target in the current London Plan. Moreover, the NPPF requires that plans meet the "full and objectively assessed need for market and affordable housing": a major consideration for individual boroughs as well as for the Mayor. It should be noted that the most recent DCLG projections are projecting household growth of 53,000 a year in London between 2011-2021 and these figures do not take account of backlog housing need, second homes or vacant units.
5. Therefore, this assessment is being undertaken with the explicit understanding that London needs to identify increased amounts of housing capacity and the amendments to the SHLAA methodology reflect this. London must optimise housing potential in sustainable places in order to address the needs of this growing population, while being consistent with a central theme of the current London Plan: to meet London's growth within its own boundaries, without encroaching on either the Green Belt or other protected open spaces. There is flexibility in the methodology for sites that would usually have been excluded from previous SHLAAs, though engagement with SHLAA partners suggests that most of our need will continue to be met through 'conventional' housing land. This will require boroughs to identify all potential housing capacity and to be realistic and receptive to potential changes of use for sites in the future. It also requires boroughs to be more realistic than in the past when anticipating the future density of development,

especially in locations with good public transport accessibility, while still adhering to the SRQ matrix and associated policy for potential sites.

Undertaking a new study

6. The Government's Strategic Housing Land Availability Assessment (SHLAA) practice guidance remains extant. However, government has indicated that it will be reviewed to better reflect the NPPF. In this regard it should be noted that the NPPF redefines deliverable and developable sites and is more flexible about site identification in years 6-11 and 11-15 of the study. Given the timescales for the further alterations, we will continue to use the existing SHLAA guidance, incorporating elements of the NPPF where necessary.
7. The Taylor Review of planning guidance has identified SHLAA guidance as a priority for updating. In responding to the review the Mayor underscored the distinct nature of London's housing market, and, to address this, how London has sought to refine the national methodology to maximise housing output rather than following historic and sometimes prescriptive national assessment methodologies. This new SHLAA must be driven by a clear view of desired outcomes, taking account of, and where necessary refining, national methodological principles to this end.
8. The London SHLAA is designed to provide an essential component of the evidence base required for the London Plan and borough Local Plans/LDFs. Together with a new assessment of housing need, the new study will be the basis for the housing targets in the Further Alterations and Local Plans, identifying the capacity to address new housing requirements.
9. In line with national guidance, a steering group is overseeing the study. This includes representatives from the boroughs, voluntary and private sectors, as well as GLA officers from relevant departments. In addition a technical sub group is advising on the development of the SHLAA computer system and detailed refinements to the methodology.

Viability

10. The NPPF places an increase emphasis on viability both in terms of assessing if sites can be considered as deliverable or developable and in terms of the viability of overall plans. The large scale nature of the pan London SHLAA and the complexity and pressures of the London land market, which means that this SHLAA includes potential as well as sites already identified for housing. Thus, detailed viability testing of all sites is not possible – a point recognised by Harman¹ in his support for a sample based approach to inform planning policy. Understanding viability as part of availability will continue to be an important component of the site assessment process in London.
11. A sample based detailed viability study will be carried out by the GLA to provide an indication of overall viability, and its findings will be taken into account when developing overall housing targets. Viability considerations will

¹ Viability Testing Local Plans –advice for planning practitioners June 2012

also be taken into account by the GLA and boroughs when assessing whether a site is deliverable or developable in terms of the SHLAA. This will be informed by boroughs' on-going engagement with land owners and developers on the viability of sites and the likely phasing of development..

The 2013 housing capacity study

12. The study will identify housing capacity across London. The study methodology identifies future housing capacity from four sources:
 - sites 0.25 ha or larger with planning approval for housing (identified large sites).
 - sites 0.25 ha or larger publicly identified in development and other plans for housing (identified large sites)
 - other sites 0.25 ha or larger, not in the public domain, which have potential to contribute to strategic and local housing targets (potential large sites). Though these sites are identified individually, their contribution to provision to future supply is defined in terms of probabilities and expressed only in terms of aggregate capacity. Information on them is collected solely for the purposes of this study and has no other status. In view of possible misapplication of this information, the GLA does not intend to publish individual details of potential sites.
 - assumptions on the contributions to targets of sites of less than 0.25 ha, conversions, non-self contained accommodation and vacant dwellings returning to active housing use (small sites).

13. This methodology builds on the 2009 approach to meet the agreed requirements for the pan-London SHLAA in light of government guidance and planning policy. It has also been informed by the review of the sites identified in the last two SHLAAs, responses to the SHLAA scoping paper and discussion at the SHLAA Steering group and Technical sub group.

14. The study objective is to provide a robust indication of London wide housing capacity across London at borough level, built up from a range of sources on individual site capacity and robust assumptions on the contribution of 'small sites'.

Large sites

15. The SHLAA will assesses all sites above 0.25 ha identified using a bespoke computer system. We are currently developing a new large site SHLAA system which will build on the functionality of the 2009 system, including the addition of a reporting dashboard and the potential for a 'testing area' where boroughs and the GLA can assess site scenarios.

16. This system provides the basis for collating information on all housing sites with planning permission, those identified in borough development plans and all other potential housing sites across London. Given the nature of land supply in London it may be necessary, once all potential sites have been identified, to consider whether evidence suggests that further unidentified sites may come forward in the latter part of the study period.

17. In broad terms, initial inputs to the system are provided by the GLA and through the 'call for sites'. These are then refined by the boroughs in light of local knowledge and the results are then tested through dialogue between the boroughs and the GLA. Following this the results are translated into housing targets for incorporation in the London Plan Alterations. This latter process is informed by scenario testing, viability appraisal and consideration of exogenous factors such as housing need.
18. The large sites information will be sourced from;
- The London Development Database
 - Sites identified through the call for sites
 - 2009 sites (updated where planning permission has been granted, developments completed, some updating may also be necessary by boroughs- particularly to take account planning permissions granted since April 2012).
 - Site boundaries identified by the GLA group
 - Sites boroughs identify, including development sites allocated in LDFs/Local plans and other relevant documents for housing.
19. The same "constraints model" approach used in the 2009 study will be used which combines capacity (calculated through the known site area, density and percentage of mixed use, if applicable) with the "probability" of sites being developed for housing, taking into account planning constraints. Given London's highly pressurised land market where 96% of housing provision comes from formerly used sites, often in existing uses, this is considered to be the most appropriate approach to identifying such an important source of future capacity and is considerably more robust than traditional 'windfall' assumptions. It effectively includes within the ambit of the SHLAA all potential housing sites across London above the size threshold, and provides an understanding of why some of those sites will not come forward wholly or partly for development.
20. One of the salient features and strengths of the probability based element of the methodology is in recognising that not all 'potential' housing sites are likely to be developed for the full number of homes that the system initially generates. The partnership based approach to the study also provides scope for initial estimates to be refined and made more realistic in light of local knowledge. When the probability based results for all potential sites are added together, they provide an aggregate estimate of the contribution of this source which is robust at borough, sub-regional and regional levels.
21. As in previous studies the GLA will treat information on individual 'potential' sites in confidence because, as indicated above, it is used in the SHLAA only to provide an aggregate, probability based estimate of the future contribution of this source as a whole and not as an indication of the capacity of individual potential sites, The release of detailed information on these sites could lead to misunderstanding as to its status and to its misapplication. This in turn might undermine current uses, pre-empt the statutory planning decision process, and affect land values. Consequent increases in land value and speculative disposals and purchases would not necessarily support optimum housing development outcomes and could compromise wider planning objectives. It is for each borough to determine whether it wishes to make this information publicly available at site level.

22. The GLA therefore will only publish information about sites with planning approval or which are otherwise publicly identified as suitable for housing e.g. as Local Plan allocations. Boroughs may wish to bring forward 'potential' sites as appropriate for development in their Local Development Framework/Local Plan process, allowing them to identify sufficient land to meet London Plan targets and address the requirements of the NPPF. To inform this work, boroughs may also want to consider using the SHLAA process to identify sites that have potential to meet specific housing needs, particularly the potential for sites to meet the needs of older people, students, 'self build', gypsies and travellers. Where a site is considered particularly appropriate for these uses, densities could be amended in the system to reflect this.

Call for sites

23. To ensure we have captured all potential sites, we carried out a call for sites, jointly with boroughs. The call was advertised on the GLA website, through boroughs' websites and direct mail outs as well as coverage in numerous planning related newsletters. 345 sites have been submitted through the call for sites, helping to ensure that we have identified all sites with housing potential. The exercise has also provided an appreciation of land owners and developers aspirations for those sites and their views on deliverability.

Site upload

24. Following an initial site check by boroughs, sites will be uploaded into the system ready for the system go live date of the 15th April, when boroughs will assess each site. The purpose of the system is to encourage boroughs to think about and test the defaults determined by the strategic inputs to the study, and not to predetermine appropriate housing output on individual sites. It is important that boroughs use their own knowledge about the sites to ensure the capacity, probability and phasing assumptions are accurate.

25. The new large site system is currently being developed and its development is being overseen by the Technical sub group, which is attended by borough officers who will be using the system. The system will be similar to the 2009 SHLAA system, but will include improvements to its functionality and a reduction in the amount of information asked for and thus the time taken to assess each site. Officers will be invited to attend a training session in April to see how the system will work and all users will be provided with a user manual to ensure boroughs are using the system to assess sites consistently.

26. The general approach to assessing the capacity of large sites requires the identification of which classification the site falls within:

- **Approved** housing sites (those with planning permission)
- **Allocated** housing sites (sites in areas allocated for housing in borough development plan)
- **Potential** housing site (all other 0.25 Ha or larger which may come forward for development at a specified point in time up to 2031).

27. The system will automatically identify sites as being approved by linking with the London Development Database and automatically populating the relevant fields. Boroughs are encouraged to check the information for accuracy. Where a site falls into areas that are allocated for housing in a borough

development plan the site be identified as an allocation, where necessary, boroughs will need to adjust the system generated numbers to reflect the allocation for the particular site within the allocation.

28. The main aim of the large site system is to assess the housing potential of sites that are not yet approved or allocated, the “potential sites”. The system will generate notional yields and a probability calculation for each site based on GIS layers of information loaded into the system. Boroughs are then asked to check that information and update it with their detailed knowledge of the sites to get to a final notional yield and probability estimates for the sites.
29. The system uses density assumptions to generate notional yields and information about how the type and level of constraints on a site impacts the sites probability of coming forward for housing.

Density

30. As in the 2009 study the potential housing capacity calculated by the system will be based on the London Plan density matrix for all potential sites. This is an initial assessment that boroughs will test and be able to amend where necessary.
31. The London Plan density matrix is based on both the setting\character of an area and the Public Transport Accessibility Level (PTAL). In order to make an initial assessment of the appropriate density the system will use two GIS layers², one which details the PTAL and another that identifies the setting/character of an area.
32. The PTAL maps are supplied by TFL, will be up-to-date and will reflect changes in PTAL accessibility over the plan period. The character map has been devised based on a combination of 2001 census data on a neighbourhood level (super output area) and distance from town centre to address the London Plan definition above. Neighbourhoods with more than 75% flats were designated ‘Central’, those with more than 75% flats and terraced houses were designated Urban and the remainder were designated suburban. Areas within 800 metres of a town centre boundary were superimposed over the neighbourhood and designated as Central (International, Metropolitan and Major Centres, and also the Central Activities Zone) and Urban (District Centres). Considering that the map partly relies on 2001 census, there will inevitably be areas that have changed in character; boroughs. Boroughs can amend a site’s setting where the character of an area has changed but will be expected to provide evidence to justify any changes made.

Density Ranges

33. The density matrix sets out density ranges for multiple PTAL levels (i.e. 0-1, 2-3 and 4-5) and for different habitable rooms per unit. Each character area is divided into three based on the range of habitable rooms per hectare; the SHLAA uses the 3.1-3.7 habitable rooms per hectare as the basis for

² GIS layers’ are a means of storing information [data] on a mapped or mapable basis so they can be interrogated by a GIS system spatially. The GIS system can then determine the information related to a specific locational point or area [polygon].’

standard density assumptions. For the 2013 study, while keeping the standard density assumptions within this range (3.1- 3.7 habitable rooms per hectare), the density assumptions have been amended to take better account of the different densities and types of units delivered and that are appropriate in high and low PTAL areas and different character areas. This reflects the housing SPG which provides flexibility for lower density development in areas where the current character would be damaged by high density development and the promotion of high density development in high PTAL areas to deliver sustainable development.

34. The system uses the density matrix to calculate initial default densities for boroughs to consider and amend in light of local circumstances in accordance with London Plan policy 3.4. The default densities are set out below; those in blue are those that have been amended for the 2013 SHLAA. These density assumptions will be tested as part of the scenario testing discussed in para 84.

Standard density assumptions

PTAL	Suburban	Urban	Central
0	40	46	46
1	40	56	64
2	56	91	132
3	64	109	158
4	76	123	238
5	97	174	301
6	115	225	355

Town centres

35. A new addition to the SHLAA in the 2013 study is the separate consideration of areas that are defined as being in town centres (or on the edge of town centres). Town centres are important sources of housing capacity; they are sustainable development locations, suitable for high density development and as such they will be key to meeting the needs of our growing population. Generally the type of housing suited to town centres is one and two bedroom units rather than larger family housing; therefore for town centres (and edge

of centres) the smaller 2.7-3.0 habitable room per unit density range will be used. The table below details the density assumptions that will be applied to Town Centres; these are designed to optimise the housing capacity of town centre locations. Again boroughs can adjust these assumptions in light of local circumstances. As part of the scenario testing work we will examine the implications of exceeding the density range in town centres.

Town centre density assumptions

PTAL	Suburban	Urban	Central
0	70	86	98
1	72.5	90.5	104
2	76	136	192
3	85.5	153	216
4	104	208	324
5	117	234	364.5
6	130	260	405

36. The density calculation is based on the site area, where a site is only partially suitable for housing or is to be a mixed use scheme; boroughs will need to assess how much of the site should be used to calculate a housing yield. As in the 2013 study, the borough will need to consider a range of factors in determining the likely housing yield of a site. While this will include some of the issues the system and borough may have already noted as ‘constraints’, boroughs should use their local knowledge of a site to identify any specific site constraints that could impact the notional yield and phasing of the site and adjust the net developable area and phasing accordingly (as the system only uses constraint information to assess probability of the site coming forward, it does not impact the notional yield of the site).

Constraints

37. Once a site has been assess for the notional housing yield, the system then generates a housing probability based on a number of constraints (identified as constraints by a number of GIS-based layers and local knowledge). The

system then calculates a constrained housing capacity by discounting notional housing yield by the probability estimate.

38. The impact of identified 'constraints' will:
- provide an approach to determining the probability of a site being developed for housing, and
 - when aggregated at a borough-wide level, determine the likely impact on the number of homes that will come forward over the target period (i.e. an estimate of housing capacity at the borough, sub-regional and regional levels which will inform the development of housing targets), and
 - be used in an initial assessment of developability of each site (determining whether a site is developable for housing, particularly in terms of its suitability and that it will be available for, and could be developed, at a specific point in time). For this reason, the degree of constraint will also impact the initial assessment of likely delivery period/phasing of the individual site.
39. The impact of identified "constraints" does not **directly** affect the notional housing yield of that site, should it come forward for housing development, as derived by the study system itself. This initial assessment is based on the net developable area of the London Plan density policies (as detailed above); it is this calculation which takes account any reduction in the developable area which may result from mitigation measures. Constraints only impact the probability of development, not the notional capacity of the site should it be built out.
40. The constraints in the 2013 study will be the same as those in the 2009 study. However there will be the ability to "bring back" sites that have been automatically excluded due to constraints (such as Green Belt, MOL and SIL sites) where a borough wants to assess their housing potential. The system will provide the ability for boroughs to "test" the impacts on their housing capacity of bringing these sites into the system without necessarily putting them forward as sites with housing potential. This function will allow boroughs to test options for meeting housing need. It should be noted that the assessment of a site in the SHLAA does not represent an allocation of any kind. Where boroughs are seeking to include green belt or MOL as part of their land supply the usual process of de-designation through local plan policy will need to be carried out and the GLA consulted.

Designated Open space

41. Like the 2009 study, the new SHLAA system will automatically assign sites formally identified as Green Belt, Metropolitan Open Land, Areas of Outstanding Natural Beauty, and Sites of Special Nature Conservation Interest as unsuitable and attach a zero per cent probability. Boroughs will also be able to assign a zero per cent probability to any protected Public or Private Open Space identified on a borough proposal map which the system has not identified. However, boroughs can assess open space for housing capacity (including green belt land) if they feel that would be appropriate in local circumstances (taking account of the comments in para 40)

Strategic Industrial Locations (SILs)

Local Strategic Industrial Locations (industrial locations protected by borough policies)(LSILs)

Non designated industrial sites which boroughs wish to retain

42. It is proposed that the 2013 study follows the same methodology for industrial designations. However, although SIL sites will be excluded automatically, boroughs will have the ability to “overcome” a SIL designation as a constraint and bring the site back into the assessment. Boroughs are asked to think carefully about the impact of realising SIL and should take account of their industrial release benchmarks³
43. Protected industrial locations that are specifically identified on existing LDFs (or emerging LDFs) maps but are not part of SILs will be given a potential nomination based on the individual policy approach of a borough. The boroughs were divided into three categories, ‘Restricted’, ‘Limited’ and ‘Managed’ industrial capacity. These protected locations were subject to a 60% reduction if the borough had a restricted approach to industrial release, 50% if a limited approach and 40% if a managed approach.
44. This notional capacity can be further refined by indicating that a site would only be suitable for mixed-use redevelopment, and the resultant housing assumptions assessed. During consultation of the draft methodology, concern was raised that LSIS should be afforded the same protection as SIL. However, for an LSIS to be afforded the same protection as SIL, the LSIS must be backed by up to date local evidence in an Employment Land Review and be a site identified as a LSIS in an adopted Local Plan. Where this is the case the phasing of the site could be adjusted to move any housing capacity into a later phase reflecting that its protection as an LSIS means it is extremely unlikely to come forward for housing in the first SHLAA phases. Any sites moved into phase 5 will be scrutinised by the GLA as this is suggesting that there is no probability of the site coming forward in the plan period.
45. The next level of industrial protection is for those sites that are not designated as industrial sites, but boroughs local plan policies specifically designate for retention as industrial sites. The initial nominal housing capacity will again be based on the borough’s policy approach. Sites within a restricted borough will received an automatic reduction of 55%, 45% for limited boroughs and 40% for managed boroughs. Again, borough’s will need to take account of the office to residential PD rights, which will reduce the level of protection for offices in these areas and adjust the probability of sites coming forward accordingly.
46. This approach is designed to reflect fairly the varying planning status of such industrial sites and is consistent with the approach used in 2009.

³ Link to bench marks;
<http://www.london.gov.uk/sites/default/files/SPG%20Land%20for%20Industry%20and%20Transport.pdf>

Planning Policy constraints

Ref	Constraint	Source	Options	Default	Impact of yes	Impact of no	Borough editable
1	Designated open space	Borough LDF or Knowledge	Yes or no	Read from GIS	0% probability	none	Yes
2	Strategic industrial location	GLA	Yes No	Read from GIS	0% probability	none	No - but borough can overcome constraint via de-designation and then assess as a potential site
3	Safeguarded Wharves	GLA	Yes no	Read from GIS	0% probability	None	No
4	Designated industrial site protected by borough Local Plan policies	Borough knowledge	Yes No	No	Assumed probability: 40% 'Restricted' 50% 'Limited' 60% 'Managed'	none	Yes
5	Non designated industrial/warehousing site that borough's Local policies which to retain.	Borough Knowledge	Yes No	No	assumed probability 45% 'Restricted' 55% 'Limited' 60% 'Managed'	None	Yes

Strategic constraints

47. GIS layers will also be used to identify strategic constraints, such as air pollution, flood risk, noise pollution and pylons. These constraints are classified as low, medium or unsuitable. Strategic constraints that are classed as low do not affect a sites probability and so have no impact on the constrained capacity of the site. One medium constraint will impact a sites probability by reducing the capacity by at least 10%. This reduction will gradate to 25%, 34% or 50% depending on how many medium constraints are present. An unsuitable constraint will reduce the probability of the site coming forward to zero. The table below shows the process in more detail.
48. In addition the large site system will collect information on potential housing output from sites that maybe within Health and Safety consultation zones around hazardous instillations, boroughs will be expected to assess the full potential of these sites and the scenario testing will assess the capacity from these sites if the hazard was removed, or what capacity would be lost if development was not acceptable.

Strategic constraints

Ref	Constraint	Source	Options	Default	Borough editable	Impact of low on probability	Impact of medium on probability	Impact of unsuitable on probability
6	Air Pollution (NO2 & PM10)	GLA GIS	Low Medium	Read from GIS	No	None	1 Medium= 90% probability, 2 Mediums= 75% 3 Mediums= 66% 4 Mediums =50%	0% probability
7	Flood Risk (3B unsuitable, 3A Low, 3A higher risk medium)	Environment Agency and GLA GIS	Low- Medium Medium High- medium Unsuitable	Read from GIS	Yes	5% reduction (to max 50%)		0% probability
8	Noise Pollution (Aircraft) and (Road)	GLA GIS	Low, Medium, Unsuitable	Read from GIS	No	None		0% probability
9	Pylons	GLA GIS	Low, Medium, Unsuitable	Read from GIS	Yes	None		0% probability.
10	Health and Safety executive consultation zones.	GLA GIS	Yes no	Read from GIS	No	Sites should be assessed as normal and the impacts of different scenarios (hazard removed and development not acceptable) will be explored as part of the scenario testing.		
Sites that fall into flood risk categories medium and high will have their probability reduced by a further 7% and 10% respectively.								

Local constraints

49. For all sites, Boroughs will be able to use local knowledge to identify any local constraints such as ownership, local infrastructure, contamination and environmental constraints that will reduce the probability of a site coming forward. The 2013 study will mirror the 2009 study in terms of the impacts of constraints, low having no impact on probability, medium reducing probability by 10% (for each medium constraint so four mediums = 60% probability) and unsuitable reduces the probability to zero. The table below shows how this will work in more detail.

Local constraints

Ref	Constraint	Source	Options	Default	Borough editable	Impact of Low	Impact of medium	Impact of unsuitable
11	Ownership	Borough Knowledge	Low, medium, unsuitable	Low	Yes	None	10% reduction	0 % probability
12	Local Infrastructure	Borough Knowledge	Low, medium, unsuitable	Low	Yes	None	10% reduction	0 % probability
13	Environmental Setting	Borough Knowledge	Low, medium, unsuitable	Low	Yes	None	10% reduction	0 % probability
14	Contamination	Borough Knowledge	Low, medium, unsuitable	Low	Yes	None	10% reduction	0 % probability
Cumulative impact; 4 Mediums = 60% probability, 3 Mediums =70%, 2 mediums 80%, 1 medium 1%								

50. The system then uses this assessment to give a probability for the three types of constraints (Planning, Strategic, and Local) on a site and then takes the lowest of these in the final probability assumption to give the site the constrained capacity. Thus if a site generates a 0% probability in any of the categories, the site will be assigned a 0% probability by the system, if the site has strategic constraints that reduce the probability to 66% and local constraint that reduce it to 80%, the lower 66% of the site capacity will be used.

Final probability calculations

Ref	Constraint	Probability source	options	default
15	Planning Policy Constraints	Lowest of 1,2,3,4,5	System Generated	System Generated
16	Strategic Constraints	Lowest of 6, 7, 8,9	System Generated	System Generated
17	Local Constraints	Lowest of 11,12,13, 14	System Generated	System Generated
18	Potential Housing Capacity - Phases 1-3	Lowest of HCS 15, 16, & 17	System Generated	System Generated

51. This overall approach maintains a London wide consistency, allowing informed discussions on individual sites, and also accords with the industrial policies and SIL framework outlined in the London Plan.

Overcoming constraints

52. The SHLAA Practice Guidance requires consideration of how any constraints could be overcome (Para 42):

- *Where constraints have been identified, the Assessment should consider what action would be needed to remove them. Actions might include the need for investment in new infrastructure, dealing with fragmented land ownership, environmental improvement, or a need to amend planning policy which is currently constraining housing development.*

53. As discussed above, the system and borough input categorises what the constraints may be, and the severity of constraints (whether it is low, medium or makes the site unsuitable for housing development). A series of options are then provided (for each constraint which a borough may identify on a site) to suggest how that constraint could be overcome. The borough can select none, one or more of the available options.

54. For SIL, Open Space and policy constraints where the system allocates the site a zero per cent, if a borough wants to assign a higher probability to the site, boroughs will need to detail how they will overcome the constraint. This will bring the site's notional capacity back to the system for assessment. For the other strategic constraints (air pollution, flood risk, pylons and noise) the

overcoming constraints questions are to help boroughs consider how the constraints could be overcome in the future and **will not affect a sites probability or coming forward**. The questions are there purely for information and may be used for scenario testing policy options and resource implications in ensuring overall housing capacity is maximised. If a borough does want to change the probability of a site, they should amend the constraint level and detail why they have done so.

55. Identifying opportunities to overcome constraints do not imply that these actions alone would enable delivery of housing; however they identify actions that would be required to overcome the identified constraint. These actions can inform borough site allocations when identifying potential housing sites, and will provide a basis for the scenario testing of borough-wide capacity by the GLA in setting housing targets. They do not, however, imply that other policy priorities should be ignored or negate the need to undertake more detailed work that the policies may require (e.g. in respect of flood risk or industrial capacity). The constraints and options to overcome constraints are set out below.

Policy constraints

Policy Constraints	Overcoming constraints
Designated open space (yes/no)	De designate open space Re-provide open space elsewhere Allow enabling development to improve designated open space
Strategic Industrial Location (yes/no)	De-designate SIL (where justified by other circumstances) Allow mixed-use development
Locally significant industrial site (yes/no)	De designate LSIL (where justified by other circumstances) Allow mixed-use development
Other Protected Industrial Site	De designate protected site (where justified by other circumstances) Allow mixed-use development
General Constraints	
Air Pollution (low/med/unsuitable)	Design mitigation measures for proposed residential development (e.g. set-back, location of habitable rooms etc) Reduce air pollution through road network management
Noise Pollution	Design mitigation measures for proposed residential development (e.g. set-back, location of habitable rooms etc) Reduce noise pollution through road network management
Flood Risk	Provide set-back on-site Provide on-site SUDS Provide other flood mitigation measures on-site Reduce density (no ground floor provision) Provide other off-site flood mitigation

Pylons	Pylon undergrounding (funded by development) Pylon undergrounding (not able to be funded by development) Pylon re-routing
'Local' Constraints	
Ownership	Developer land purchase/dealing with fragmented ownership <ul style="list-style-type: none"> ▪ Compulsory borough/GLA purchase of site ▪ Relocation of existing user to transfer ownership
Local Infrastructure	Provide public transport infrastructure Minor changes to local road network Provide additional utilities services Require contribution to social infrastructure provision
Environmental Setting	Closure/removal of neighbouring uses Change to surrounding area through comprehensive redevelopment Improvement of air/noise pollution in surrounding area
Contamination	Decontaminate land (funded by development) Decontaminate land (may require funding) Develop only part of site

Exclusions

56. The study is designed to aggregate housing capacity likely to come forward in the period April 2013 – March 2036 from approved, allocated and potential housing sites. The potential housing sites include **all sites across London where housing could be built which are currently outside of the planning system – both boroughs and the Mayor will have to demonstrate at EIP that they have left 'no stone upturned' when investigating potential sources of housing capacity.** The study determines a notional capacity and probability of development which can be aggregated to form a theoretical housing capacity for the stated future period. A good majority of the potential housing sites will include sites already in existing use. Of these there will be a proportion of sites which may have a low probability of coming forward and we would expect these to be assigned to a later phase.
57. The system will allow boroughs to specifically exclude and delete some sites from the study. Sites excluded or deleted will not be surveyed in the same detail to assess housing capacity and no housing will be assumed to come from these sites. A site would be put for deletion if that site doesn't meet the criteria for inclusion in the study; if it is below 0.25ha; external of London's boundaries or genuinely loaded in error e.g. if it is part of a larger site and the land has been re-integrated into the large site then the site can be deleted with agreement from the GLA. To exclude a site a reason for exclusion is required and these will be recorded in the system and considered by the GLA.

The exclusion of these sites is **in addition to** any sites which are deemed unsuitable for housing development by other constraints (including land ownership, flooding, noise and air pollution, open space and CIL designations).

58. The study includes these sites at the outset but, in ensuring that all sites are considered and logically processed through the methodology, boroughs are required to consider any exclusions carefully. **Because the methodology of the study requires assessment of all potential housing sites for probability of housing development, the number of sites excluded should be minimised in order to accurately assess overall housing capacity.**
59. We are amending the approach to exclusions in the 2013 study. The review of previous SHLAAs has demonstrated that some excluded sites have come forward as housing sites. Calculations on the 2004 study have shown us that around 8% of sites in the period 2004-2011 which were excluded have been developed for housing. The 2013 study aims to capture this, while keeping a legitimate site based approach to the SHLAA and not generating unrealistic assumptions around development capacity. This means that some of the 2009 exclusion categories have been removed and instead are considered to be “low probability housing sites”, rather than being excluded.
60. The analysis of excluded data demonstrates that many sites were excluded as “other” when they should have been assessed through the system and provided with a constrained capacity and/or a low probability (for example sites had been excluded due to local employment designation or because it was currently occupied in an employment use). There were also a large number of sites excluded with no reason attached. Given that 96% of housing development in London is on land that was previously in use means that a site being currently in use does not mean it will not come forward for housing. However this may impact on its probability for development and phasing. Because of the large number of “other” excluded sites, we will be looking to accurately capture valid and specific reasons for exclusion of sites rather than have vague reasoning.

Low probability housing sites

61. To reflect this we are adding a new category to the study – this is “low probability housing sites”. These are the type of sites that have previously been excluded from the study, but should have been given a housing potential as they do come forward for housing in some circumstances. These sites will only be given an 8% probability, reflecting the findings of the review of past SHLAAs. This option should only be taken where boroughs feel that the site only has a small chance of coming forward for housing; just because a site falls into one of the categories below is not justification in its self that it should be considered as a low probability site rather than assessed through the full assessment. The system will also allow boroughs to add their own low probability reasoning, again these will be scrutinised by the GLA for acceptability:
- School or hospital with no planned redevelopment before 2036.
 - The site is an area of private/mixed tenure housing in multiple ownership with no known plans for redevelopment.

- Social housing estate with no planned intensification programme up to 2036.
 - New build housing completed before 2003 where there is a low probability of additional housing development
 - A high value retail/leisure/office development completed before 2003 where there is a low probability of additional housing development
62. The approach to 2013 study (building on that of the 2009 study) should ensure that we identify more capacity and also prevent sites with potential being excluded. It is important to remember that the twin-track approach taken in this study to determining borough-wide capacity and the land available to meet it, includes an assumption at the outset that not every site for which a capacity is identified (i.e. where they are not excluded) will eventually be brought forward for development. **An 8% probability is less than a 1 in 10 chance of a site coming forward for housing in the 20 year study period 2015 – 2036. Exclusion of sites should therefore only happen where absolutely necessary and should reflect that the site is extremely unlikely (approaching 0%) to be developed for housing.** This approach
63. In response to the draft methodology a few boroughs have expressed concern over the addition of this low probability category. However, evidence on sites excluded from past SHLAAs shows that a proportion of these sites do come forward for housing. The introduction of the new 'low probability' category better reflects the reality of a borough's overall housing capacity. As this is a new category, the level of capacity that this source is delivering on a borough by borough basis will be carefully assessed.
64. The reasons for excluding sites in the 2013 study are detailed below. Sites should only be excluded if they meet one of the criteria identified below and the reasons for exclusion should be explained in the text box. The study aims to assess all potential housing sites across London up to 2036, considering both capacity and likelihood of development. Therefore, this option is intended to exclude only those sites where housing development would be so improbable that efforts to assess yield and probability would waste time and resources. **The justifications listed below are not sufficient grounds in themselves for exclusion of sites – they must genuinely be considered to constrain additional housing potential to zero or close to zero on this site for the duration of the Plan.**

Reasons to exclude sites

- New build housing completed since 2003 where additional housing development is improbable.
- A recently completed (completed in the last 10 years) high value retail, leisure or office development, which means redevelopment is improbable.
- The site is a listed building or scheduled monument where development or intensification is unlikely (note: please take account of potential for enabling development around the site, and potential intensification 'behind the façade' before selecting this option).
- The site is safeguarded for a strategic transport infrastructure project (e.g. Crossrail)
- The site is in strategic operational use and is expected to continue to be in use over the plan period so redevelopment is considered improbable.

This exclusion is for sites that contain strategic infrastructure such as airports, railways, sewerage treatment works, waste sites and associated depots that are in operational use and have no potential of becoming redundant over the plan period. Please note, sites that have been supplied by/or on behalf of the operational owner as part of the call for sites should **not** be put into this category.

There is no option of “other” for exclusions.

65. The option of excluding protected open space has been removed, as these sites should be assessed as **unsuitable** for housing in the constraints section, rather than being excluded. The reasons for deleting a site from the system are below. Bear in mind that the site will be kept in archive for auditing purposes. Sites will be proposed for deletion by the borough and agreed by the GLA.

Reasons to delete sites

- The site is less than 0.25 Hectares
- The site was loaded in error (note that the study aims to assess all potential housing sites. This category should only be used for sites genuinely loaded into the system in error).
- Site double counted or is part of a larger site which has accounted for the capacity – Boroughs must keep a record of the site that the double counted site overlaps or is within.

Office to residential

66. London has always had a pragmatic approach to applications to change office into residential. The SHLAA has reflected this by attaching no protection specifically to offices, although the probability of development will be effected by constraints the same as any other site. In January 2013 the government announced a change to permitted development rights which would allow the conversion from office to residential without planning permission for three years. There is an option to exempt areas where there is a robust case to do so. The GLA worked with relevant boroughs to seek the exclusion of the CAZ and other particularly significant central London office locations from the permitted development rights. This will not mean that in future some office to residential conversion will not continue to occur, as it already does under existing policy. Government has yet to detail what areas have been granted an exemption.
67. When assessing current office sites, boroughs should take account of the new PD rights and make assumptions about the impact of this on the probability of housing coming forward on a particular site. Because this is a step change in planning policy, we have limited past information that we can draw on to inform our judgement about the potential impact. However, we do have information on past trends in housing capacity arising from changes of use from offices and would expect that the introduction of new PD rights would increase this significant increment to capacity (currently some 4,000 completions pa, backed by a significant pipeline). In taking this into account when considering the yield of potential (current office) sites, it should be noted that the London Office Policy Review (LOPR) found that office conversions delivered lower levels of units than office redevelopments. For office sites where conversion is more likely than redevelopment, boroughs are advised to

amend the density assumptions to take account of the actual office building and estimate a housing yield based on that.

68. It maybe necessary to take further account of this policy change through scenarios anticipating an additional uplift once all the sites have been assessed. This would be via a calculation based on the office stock in a borough outside any areas excluded from the new permitted development rights, potentially taking into account the age of the stock, levels of vacancies and location of the stock and would be part of the scenario testing phase of the study. We will also explore taking this into account in the small sites assumptions.
69. During the consultation on the draft methodology most respondents felt given the office to residential permitted development rights are planned to last only for three years, the change would not have a significant impact on the capacity in the SHLAA. The GLA will continue to investigate the potential impact of this policy and consult on more detailed options, as it is important that it can be demonstrated that this policy has been taken into account in the assessment of housing capacity in the most realistic way.

Sources of capacity outside the large site system

70. As well as large sites, the SHLAA also takes account of other sources of capacity that are calculated through a range of measures. These additional sources of supply include small sites (sites under 0.25ha), conversions, non self-contained accommodation and supply from bringing vacant stock back onto use. In the unique circumstances of London these source of housing supply have historically been important in addressing housing need.

Small sites

71. As in the 2009 SHLAA, a trend based approach will be used for sites under 0.25ha. Data from the London Development Database on housing completions from 2004-2012 will be analysed and an annual average assumption produced for each borough. The time series of 2004-2012 will essentially cover a full market cycle, which should mean the trend based assumptions provide a realistic average for over the plan period. However, given the tendency for densities to increase over time on large sites, adjustments may be required to take account of any similar density trends for small sites, depending on what the past data shows. This will be done on a borough by borough basis taking account of their historic density delivery and to what extent that is likely to increase in the future given the increasing pressure on housing land. Any such increases will be based on the density assumptions detailed in the large sites section of the paper and will be discussed with boroughs. In addition, as discussed in para 67 we will also explore the potential impact of office to residential permitted development rights on small site numbers.
72. All small site data will be supplied to boroughs in order for them to check the data for accuracy and anomalies.
73. The NPPF is clear that garden land should not be included in any windfall assumptions. The small sites data will therefore be analysed to remove 90% of the sites that are considered to come from garden land. The rationale for

not taking all these sites out is that the measure used to identify garden land in the LDD is only a proxy. Development that is not taking up garden land in a traditional sense (it is part of a site that has an existing residential unit but is not “garden” per se; a garage for example) will also be included in the garden land numbers. Using a 90% reduction reflects expectations that this type of development will, some extent, to continue and is in keeping with the NPPF.

Vacants

74. Previous SHLAAs have relied on data about private sector long term vacants and assumed that vacants would reduce to 1% of the stock over ten years. Data is now available for long term vacants for all tenures, but is no longer broken down by tenure. The data is sourced from council tax records and is available from DCLG.
75. The data shows that there has been a decrease in long term vacants in London as a whole from 42,600 in 2004 to 29,540 in 2011. This could be due to a number of reasons, including the increased pressure on the housing stock in London and the New Homes Bonus as an incentive for local Authorities to bring properties back into use. However, there has also been changes to council tax over this time where increased numbers of Local Authorities have reduced or removed the discount available to those with empty properties, which may have reduced the numbers of people declaring/registering that their homes are empty.
76. Cross tenure data on long term empty properties provides a fuller picture of empties in each borough, but also requires a new approach to assessing the numbers of vacants we expect to be returned back into use over the plan period. The addition of affordable housing into the data set appears to reduce the number of vacants as a percent of the overall stock. This is likely to be because social housing sees a managed turn over and given the current pressure for social and affordable rented dwellings, it is unlikely that these units will be empty for longer than 6 months, unless they are earmarked for demolition. Therefore the 1% of stock as vacants may not be an appropriate reduction benchmark when looking at the whole stock rather than just the private sector.
77. Trend data demonstrates that the number of vacants has reduced in many boroughs, even those boroughs that already have less than 1% of their private rented stock vacant and so had no vacants coming back into use monitoring benchmark in the current London Plan.
78. Given the introduction of data on all tenure long term vacants, it is proposed that a 1% of total stock as a target is no longer appropriate. The table below compares the implication of introducing a 0.75% of total stock target and a 0.5% target for each borough, comparing it with current trends and the current London Plan target. It demonstrates the decreasing relevance of the 1% target. The 0.75% benchmark is the proposed approach, as it provides numbers that are realistic in comparison to past delivery. However, it is also conservative enough to reflect the fact that the recent reductions of empty properties could be from a combination of less people declaring empty properties, and a tidying up of council tax data rather than a trend of empties coming back into use and thus we would not expect it to be a long term trend.

79. While this does represent a change to the approach detailed in the London Plan, it is justified given the change of data available and the ongoing commitment to bring empty properties back into use.

Vacant potential approaches

	Current London Plan target	2004-2011 annual average Vacants brought back into use	Potential option: seek to reduce vacants to 1% of total stock - annual target	Potential option: seek to reduce vacants to 0.75% of stock - annual target	Potential option: seek to reduce vacants to 0.5% of stock - annual target
Barking and Dagenham					11
Barnet	79	38	0	35	70
Bexley		17	0	7	31
Brent	61	95	0	0	8
Bromley		95	0	0	17
Camden		64	7	32	56
City of London		11	0	0	2
Croydon	91	237	0	19	57
Ealing	47	80	0	0	2
Enfield	22	256	0	17	46
Greenwich	65		54	81	108
Hackney	31	35	103	128	153
Hammersmith and Fulham	30	97	0	14	35
Haringey	28	64	0	0	16
Harrow	0	28	0	0	
Havering		11	1	26	50
Hillingdon		13	0	0	18
Hounslow		139	0	0	
Islington		41	0	22	46
Kensington and Chelsea	45	21	25	46	68
Kingston upon Thames		105	14	31	47
Lambeth	46	40	38	70	103
Lewisham			0	8	37
Merton			0	0	11
Newham		11	22	48	74
Redbridge	11		0	0	19
Richmond upon Thames		33	0	0	
Southwark		148	0	26	56
Sutton		59	1	21	41
Tower Hamlets	43		0	19	44
Waltham Forest	69	39	0	0	19
Wandsworth	0	356	0	0	
Westminster	81	34	78	105	132
Total	749	2,167	343	755	1375

Non-self contained units

80. The approach to non self contained units, which mainly comprises student housing, is still being developed. Previous SHLAAs used the development trend 2004 - 2007 in housing which does not fall within the C3 planning use class, and for boroughs with anomalies /large completions in one financial year, trend data was used from 1996-2007.
81. A number of boroughs have raised issues with this approach, particularly where they have seen significant student housing developed over the last few years and are concerned about its impact on their ability to meet conventional housing need, as well as the implications of concentrations of student housing on surrounding neighbourhoods etc.
82. In addition, it is thought by some that trend assumptions do not take account of some significant changes that may impact future student numbers generally and the number of students requiring accommodation in particular, such as the increase in tuition fees and the impact of visa restrictions. Against this must be set more vigorous population growth which may, to an as yet unknown degree, offset downward pressures on demand for university places. As increases in student fees only started in 2012, we do not yet have a clear understanding of the potential impact on student numbers and accommodation requirements. Moreover, while increases in tuition fees may deter some students from attending university or encourage more to stay at home and go to a local university, the current financial climate and lack of job opportunities may actually encourage others to turn to higher education while waiting for the jobs market to improve.
83. In light of this uncertainty and other issues associated with the university sector (including ensuring a good supply of affordable student bed spaces) the Mayor is convening an Academic Forum. One of the forum's tasks will be to investigate how London can best meet its student accommodation needs. This may include the investigating the potential for student "dispersal", providing accommodation in accessible places that have not traditionally supplied the student market, possibly on the basis of local provision targets.

Scenario testing

84. Given the population projections for London and their implications for the numbers of additional homes required, scenario testing is likely to play an important role in providing the evidence for the various policy options for meeting the need identified. Scenario testing will be undertaken once all sites have been assessed and will be informed by a housing requirements appraisal. The results of the housing requirements appraisal may mean that we need to explore ways to increase housing capacity including testing higher densities. The range of tests and scenario evaluations will also inform borough development plans and consideration of how individual sites can be brought forward for development.
85. The large sites system has been designed to require boroughs to consider the further housing output which might arise from sites where new transport infrastructure may be proposed. The impact of different restrictions on development in health and safety consultation zones may also be considered. This will enable a robust assessment of potential capacity, should the hazard be removed, or lost capacity if development were not acceptable.

86. Scenarios will be run to test different density assumptions especially in high PTAL areas, this may include testing reduced densities as well as increased. The scenarios may also test office to residential conversion assumptions (taking into account that the short term nature of the permitted development rights), addressing constraints on development (including the implications of releasing more currently protected sites for housing). Scenarios will be also run to test the impact of removing any housing capacity coming from Green belt, MOL and SIL which boroughs have chosen to submit and low probability housing sites. This will allow the testing of different policy approaches to meeting housing need.
87. A strategic viability appraisal will be a key element of this testing process. The GLA will address viability requirements through assessment of a stratified sample of sites in light of the principles outlined in the Harman report and any new government guidance. Selection criteria for these sites will include partial distribution, current land use, site size and other key factors which have significant impact on viability e.g. development potential, considering broad scheme and planning requirements.

Aggregation of results

88. The SHLAA is designed to provide a robust indication of aggregate housing capacity at borough level across London. It is not designed to provide a comprehensive list of all housing sites which may come forward over the term of the London Plan. In the unique circumstance of the London land market that is neither feasible nor realistic.
89. The main part of the study will assess the notional capacity and probability of development of a large number of sites across London, including those with planning permission, sites identified in borough development plans together with a large number of other potential housing sites. These potential housing sites are often in an existing use e.g. may have businesses operating on them. While a list of sites in the public domain (i.e. those with planning permission, allocated in development plans or otherwise publicly identified by boroughs) will be published, the GLA does not intend to publish the study data on individual potential housing sites.
90. This approach will ensure that the most accurate information on individual sites can be collected in order to inform London Plan housing targets up to 2036 and borough site allocations. Boroughs may wish to consider the information on individual potential sites for inclusion in local plans so these sites can be identified publicly and brought forward for development to better address NPPF requirements.
91. In order to ensure the planning process can properly identify which areas are likely to be developed for housing the capacity identified on potential housing sites will be aggregated to an appropriate geographical level and to illustrate broad trends in terms of potential types of land supply (e.g. industrial land, vacant sites etc). This will help to inform London Plan policies, Local Development Frameworks, infrastructure planning (including transport infrastructure) and provide information for developers and landowners who may wish to promote sites through the planning process.