



PREAMBLE

Silvertown Homes Limited (SHL) and Greater London Authority Land and Property (GLAP) have submitted a hybrid planning application to the London Borough of Newham (LBN) for the redevelopment of the Thameside West site, accessed off Dock Road in Newham (the Site).

SHL is a property development company and joint land owners of the Site. SHL has over 65 years combined experience at delivering high quality regeneration projects across London. GLAP is a subsidiary corporation of the Greater London Authority (GLA) and took over assets and liabilities from the London Development Agency (LDA) in 2012. GLAP is primarily focused on delivering genuinely affordable homes and jobs for London.

The proposal is to construct a new high-quality residential-led mixed-use development comprising new homes, new industrial floorspace, a new local centre, a new primary school and nursery school, new community facilities, a new public park (with associated outdoor play facilities), enhanced SINC and over 800m of new riverside walk along the River Thames with ecological / biodiversity enhancements. This development has been designed to focus its community hub around the delivery of a new Dockland Light Rail (DLR) station that is proposed to be constructed on the Site by Transport for London's (TfL) in 2023.

The proposals have been designed by Foster & Partners, John McAslan & Partners, Patel Taylor and the wider project team (listed, right) taking into account comments provided by local residents during summer and public exhibition events and comments provided during pre-application discussions with a variety of statutory and non-statutory interests, including LBN and its Design Review Panel (DRP), the Greater London Authority (GLA), Transport for London (TfL), Environment Agency (EA), Port of London Authority (PLA) and London City Airport (LCA).

This document is one of a suite of planning application documents submitted to LBN, including an Environmental Statement. The planning application is available to review at LBN's office or using LBN's online services:

Search for planning application reference number 18/03557/OUT at: <https://pa.newham.gov.uk/online-applications/search.do?action=simple>

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AGENCY**

realm
virtually, anything is possible.



GERALDEVE

Thameside West

London Borough of Newham

On behalf of Silvertown Homes Limited and the Greater London
Authority Land and Property

Affordable Housing Statement Addendum 2

Date: June 2020

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1 Introduction and Instructions

- 1.1 Gerald Eve LLP is instructed by Silvertown Homes Limited (SHL) and GLA Land and Property (GLAP) (“the Applicant”) to produce an Affordable Housing Statement (‘AHS’) in support of a planning application (“the Application”) for the redevelopment of Thameside West, London, E16, London Borough of Newham (“the Site”).
- 1.2 This Affordable Housing Statement Addendum 2 is submitted on behalf of the Applicant, as part of the third set of amendments being submitted in relation to the original hybrid planning application that was validated by London Borough of Newham (LBN) in January 2019 and referenced 18/03557/OUT.
- 1.3 This document should be read alongside the information and assessment contained within the Affordable Housing Statement dated February 2019. This contains detailed information about the proposed development and the planning policy background and requirements for the Scheme.
- 1.4 The remainder of this report is set out as follows:

4) Financial Viability and Overall Affordable Housing Proposal

5) Detailed Affordable Housing Proposal: Tenure and Mix of Units

6) Detailed Affordable Housing Proposal: Rental Levels and Affordability

7) Concluding Statement

- 1.5 A number of appendices are introduced and referred to in the text of the report; these are included as full within the report submission.

2 Background and The Proposed Scheme

- 2.1 In this section of the report sets out how the Scheme has changed to form the third revised submission.

Nature of the Planning Application

- 2.2 The planning application has been submitted as one “hybrid planning application”. Phase 1 submitted in full detail and all other phases, as well as the river wall, submitted in outline (with all matters reserved). The planning application was validated by London Borough of Newham (LBN) in January 2019 and referenced 18/03557/OUT.
- 2.3 The first set of amendments to the planning application were submitted to LBN on 17th May 2019, with a second set submitted on 28th June 2019.
- 2.4 LBN resolved to refuse the planning permission on 12th November 2019 for 15 reasons, subject to referral to the Mayor of London. On 2nd December 2019 the Mayor ‘directed’ that the planning application should be determined by the Greater London Authority (GLA) as the new determining planning authority for the planning application. The GLA’s planning and design teams have undertaken further discussions with the Applicant, with LBN observing, resulting in further amendments to the proposals. These amendments have result in massing changes to the schemes which has adjusted the number of residential units and non-residential floorspace being delivered in each phase of the development.
- 2.5 This Affordable Housing Statement Addendum forms part of the third set of planning application amendments.

Description of Development

- 2.6 The revised description of development is set out as follows:

Hybrid planning application comprising:

1. *Detailed planning application for Phase 1 with works to include: The proposed demolition of existing buildings and structures, the erection of buildings, including tall*

buildings, comprising: 460 401 residential Units (Use Class C3), 3,608 sqm (GEA) of flexible employment floorspace (Use Classes B1b, B1c, B2 (restricted) and B8); 162 230 sqm (GEA) of flexible retail floorspace (Use Classes A1-A4); a new/altered access road from Dock Road/North Woolwich Road; new streets, open spaces, landscaping and public realm; car, motorcycle and bicycle parking spaces and servicing spaces; and other works incidental to the proposed development.

2. *Outline planning application (all matters reserved) for the phased delivery of the balance of the site for the proposed demolition of existing buildings and structures; the erection of buildings, including tall buildings, comprising: a new local centre; a primary school (Use Class D1); residential and older person units (Use Class C3); flexible employment floorspace (Use Classes B1b, B1c, B2 (restricted) and B8); flexible employment floorspace (Use Classes B1c, B2 and B8); flexible retail floorspace (Use Classes A1-A4); community and leisure floorspace (Use Classes D1 and D2); the construction of a new flood defence wall and delivery of ecological habitat adjacent to the River Thames and associated infrastructure; streets, open spaces, landscaping and public realm (including new park and SINC improvements); car, motorcycle and bicycle parking spaces and servicing spaces; utilities including energy centre and electricity substations; and other works incidental to the proposed development.*

Summary of Development

2.7 The overall summary of development is set out as follows:

- 5,000 residential units;
- 15,000 sqm (GEA) of flexible employment floorspace (Classes B1c, B2 and B8);
- 4,441 sqm (GEA) of flexible employment floorspace (Classes B1b, B1c, B2 (restricted) and B8);
- 7,368 sqm (GEA) of flexible retail floorspace (Classes A1 to A4);
- 7,055 sqm (GEA) of community and leisure floorspace (Classes D1 and D2);
- 508 car parking spaces (24 x commercial/industrial, 455 x residential and 29 other spaces / service bays);
- 9,833 cycle parking spaces (686 x commercial & 9,147 x residential).

3 Financial Viability and overall Affordable Housing Proposal

Introduction

- 3.1 In this section of the report the proposed affordable housing offer is set out.
- 3.2 In accordance with planning policy, the level of affordable housing that can be supported by the proposal is determined by scheme viability.
- 3.3 On behalf of the Applicant, Gerald Eve LLP tested the provision of a policy compliant level of affordable housing on the Site, in line with Policies H1 and H2, regarding the overall percentage and the required tenure split.

Affordable Housing Values

- 3.4 Based on the calculations, the affordable sales values are considered to be as follows:
- London Shared Ownership: £435 per sq ft; and
 - London Affordable Rent: £198 per sq ft.
- 3.5 However, following the discussions between the Applicant and the GLA, the Applicant has agreed to notionally increase the affordable sales values to the level suggested by the GLA viability team. The Applicant has therefore requested that we include the following affordable values within the viability appraisal:
- London Shared Ownership: £500 per sq ft; and
 - London Affordable Rent: £200 per sq ft.
- 3.6 These notionally adjusted affordable values are been included within the viability appraisal at the requested of the Applicant, but for the avoidance of doubt, the GE Affordable Housing Team consider the affordable values for both the LSO and LAR to be lower, as set out above

Overall Position

- 3.7 Overall, the viability assessment has concluded that a total of 34% affordable housing (by unit) and 39% (by habitable room) can be provided across the 12 phased programme.
- 3.8 A policy compliant split of 60% Social-Affordable and 40% Intermediate by habitable rooms is being delivered within this.
- 3.9 A total of 59% Social- Affordable Rented (in the form of London Affordable Rent) and 41% Intermediate (in the form of London Shared Ownership), by unit numbers will be provided.
- 3.10 The proposed affordable housing offer is set out in the following table.

Table 1: Proposed Affordable Housing Offer

Tenure	No. of Units
Social/ Affordable	1004
Intermediate	696
Total	1,700

Source: The Applicant

Summary

- 3.11 The affordable housing proposal represents a provision of 34% (by unit) and 39% (by habitable room) in accordance with Policy H2 of LBN Local Plan. This equates to 1,700 total affordable units that will all be delivered across the 12-phase programme, with a policy compliant tenure split.

4 Detailed Affordable Housing Proposal: Tenure, Location and Mix of Units

Introduction

- 4.1 This section provides further detail on affordable housing in the LBN. The Applicant's affordable housing proposal is then discussed.

Affordable Housing Definition

- 4.2 The NPPF (2019) defines affordable housing as follows:

"Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)". (NPPF, 2019).

Affordable Housing Tenure and Types:

- 4.3 There are a wide range of affordable housing products that can be delivered to accommodate households with different needs and income levels. All affordable housing products fall into two broad categories; social housing and intermediate housing.

Social/ Affordable Housing

- 4.4 In line with the NPPF, affordable housing for rent is set in accordance with Governments rent policy for Social Rent (SR) or Affordable Rent (AR), or is at least 20% below local market levels.
- 4.5 SR homes are for households on low incomes where the rent levels are based on the formulas in the Social Housing Regulator's Guidance.
- 4.6 AR homes represent a discount of up to 80% market levels.
- 4.7 LAR homes are a form of SR/AR and are capped at benchmark levels published by the Greater London Authority in the Affordable Housing and Viability Supplementary Planning Guidance 2017 (SPG)

Intermediate Housing

4.8 Intermediate Housing includes:

“Intermediate housing includes ‘low cost home ownership’ products and ‘discount market rent’ products” (pp.24).

4.9 London Shared Ownership (LSO) is the intermediate product that will be provided as part of this scheme.

4.10 The shared ownership model is accessible to households earning up to £90,000 per year (at present) or in line with the Annual Monitoring Report (‘AMR’) for the relevant year. Purchasers acquire an initial equity stake in a property of up to 75% and pay rent on the remaining equity, up to 2.75% of the remaining property value.

Location of Units

4.11 The affordable housing will be located in a series in blocks across the different phases of the programme. This is summarised in the following table.

Table 2: Summary of Units by Block

Block	Social Affordable	Intermediate	Total
Block A	71	124	195
Block D	114	92	206
Block E	143	141	284
Block K	103	83	186
Block L	105	33	138
Block T	423	141	564
Block U	45	82	127
Total	1004	696	1700

Source: Applicant

Mix of Units

4.12 A breakdown of the proposed affordable housing mix is set out in Tables 3 and 4.

Table 3: Social Affordable Unit Breakdown

Block	Overall Total	Percentage of Total
Block A	71	7
Block D	114	11
Block E	143	14
Block K	103	10
Block L	105	10
Block T	423	42
Block U	45	4
Total	1004	100

Source: The Applicant

Table 4: Intermediate Unit Breakdown

Block	Overall Total	Percentage of Total
Block A	124	18
Block D	92	13
Block E	141	20
Block P	83	12
Block Q	33	5
Block S	141	20
Block U	82	12
Total	696	100

Source: The Applicant

4.13 It is intended that a range of unit sizes will be delivered across the development. The design mediates between the Local Plan and need to deliver a high proportion of affordable housing, as well as the wish to maximise the number of units delivered in an acceptable planning volume.

4.14 A total of 195 units will be delivered in Phase One (Block A) comprising of 124 intermediate and 71 Social Affordable units. This will represent a 100% affordable housing block. A breakdown of the unit types in Phase One is provided in the following table.

Table 5: Phase One Delivery (Block A)

Unit Type	Social Affordable	Intermediate
Studio		
1 Bed	32	72
2 Bed (3P)	27	44
2 Bed (4P)		
3 Bed (5P)	12	8
3 Bed (6P)		
4 Bed (6P)		
Totals/ Blended	71	124

Source: The Applicant

- 4.15 The scheme delivers a range of different sized accommodation, including a large proportion of 2-bedroom units. Unit sizes are in line with GLA requirements and have been designed to comply with Lifetime Homes and the relevant accessible housing standards set out within the Local Plan.
- 4.16 The accommodation will meet the needs of a wide range of households, ranging from single person to larger families, across both affordable tenures.
- 4.17 A significant proportion of the total affordable housing units will be delivered in Phase 1 representing over 10% of the total units.

5 Detailed Affordable Housing Offer: Income Levels & Affordability

5.1 In this section the affordability of the proposed tenure split is considered in further detail.

London Affordable Rent

5.2 It is proposed that the Social / Affordable element of the scheme will have rental levels that will in set in line with the London Affordable Rent ('LAR') figures, as specified in the GLA's Homes for London Investment Prospectus. The units will be set at rent levels in line with the 2020-21 benchmarks. These reflect the formula rent cap figures for social rents uprated by CPI for September 2016 plus one per cent.

Table 6: London Affordable Rent Levels

Unit Size	London Affordable Weekly Rents 2020-2021 Benchmark Levels (£)
1 Bed	£159.32
2 Bed	£168.67
3 Bed	£178.05
4 Bed	£187.42

Source: Homes for Londoners Investment Prospectus (2016)

5.3 As service charges are paid in addition to the rental charge, it is anticipated that the level of service charge will be set at a reasonable and affordable level. The internal design and communal amenity space will be designed in a way that ensures durability and low maintenance ensuring service charges are kept to a minimum.

5.4 In order to calculate the estimated total weekly housing costs, an assumption of £2 psf service charge has been included in the table in line with market norms. Please note that this could be subject to change once the detailed design and scheme specifications are completed.

5.5 The weekly housing costs inclusive of service charges, are calculated in line with GLA requirement that:

- *No more than 3.5 times the household income threshold to buy;*
- *No more than 40% of net household income including rent and service charges (with net income assumed to be 70% of gross income).*

5.6 Based on the above analysis, Table 7 sets out the annual household income levels that would be required in order to afford the weekly housing costs for these properties.

Table 7: Income Affordability Requirements for London Affordable Rents

Unit Size	London Affordable Weekly Rents 2020-2021 Benchmark Levels (£)	Estimated Annual Household Income Approximate (£)	Estimated Weekly Service Charges (£)*	Total Weekly Housing Costs inc. Service Charges (£)	Estimated Annual Household Income Approximate (£)
1 Bed	£159.32	£29,690	£26	£185	£34,492
2 Bed	£168.67	£31,432	£34	£202	£37,724
3 Bed	£178.05	£33,180	£47	£225	£42,019
4 Bed	£187.42	£34,926	£53	£240	£44,725

*Estimated and subject to change

Source: GE

London Shared Ownership

- 5.7 38% of the tenure mix, by units, will be delivered as Intermediate Housing. It is proposed to be delivered as London Shared Ownership (LSO).
- 5.8 LSO allows a home buyer to purchase a share in a property and pay regulated rent on the remaining, unsold share of no more than 2.75% if the value of the unsold equity (at the point of sale). LSO is available to households who have a maximum income of £90,000 (updated in the GLA Annual Monitoring Report).
- 5.9 It is assumed that a minimum share of 25% will be purchased across all of the unit types and sizes.
- 5.10 The rents levels on the unsold equity will be set in line with affordability levels, currently ranging from 2.75% for the one and two beds, to 1.5% for the larger 3 and 4 beds. This will ensure a staggered income for “households with a range of income below the upper limit” (point 2.47, SPG).
- 5.11 The required incomes for the LSO units assume that households will not spend more than 40% of their net income on household costs
- 5.12 The overall household income requirements to afford each unit type are set out in the following table.

Table 8: London Shared Ownership Annual Household Income Requirements

Unit Type	Minimum Annual Gross Income Required
1 Bed	£52-£57k
2 Bed (3P)	£62-£67k
2 Bed (4P)	£70-£75k
3 Bed (5P)	£75-£80k
3 Bed (6P)	£80-£85k
4 Bed (6P)	£85-£90k

- 5.13 The above affordability assumptions are estimated at this stage and are subject to change. They are considered reasonable based on the current GLA affordability requirements for affordable housing

Summary

- 5.14 LAR in line with both local and GLA policy for Social/ Affordable rented housing.
- 5.15 The affordability of the Shared Ownership units has been set in line with the GLA affordability criteria. The units will be accessible to households earning £90,000 up to per annum, assuming that they do not spend more than 40% of their net income on housing costs.

6 Conclusion

- 6.1 Affordable housing is an important element in the delivery of the proposed scheme.
- 6.2 The financial viability assessment for the scheme demonstrates that a total of 34% affordable housing by unit and 39% by habitable rooms, can be delivered within this scheme in line with LBN planning policy requirements.
- 6.3 To confirm, a policy compliant tenure mix of 60% London Affordable Rent and 40% London Shared Ownership will be provided across the affordable residential accommodation, by habitable rooms. This broadly represents a policy compliant split.
- 6.4 The unit mix proposed meets policy requirements and provides an excellent balance of smaller and family sized accommodation which will be essential for the long-term sustainable management of a phased affordable housing scheme of this size.
- 6.5 The proposed LAR meets both the Council and GLA policies for rented housing and the affordability requirements associated with this.
- 6.6 It has been demonstrated that the affordability of the Shared Ownership complies with GLA income and affordability requirements.

FOR FURTHER INFORMATION ON THE PROPOSALS, PLEASE VISIT:
WWW.THAMESIDEWEST-PLANS.CO.UK