

4. Housing

4.1 Housing Context

- 4.1.0 Housing is vital for the City's future economy and its communities. A shortage of housing, particularly affordable housing, is one of the main barriers to future business and community growth in the City and across London. High quality, affordable housing is also essential to meet the housing needs of those of the City's communities on lower incomes.
- 4.1.1 The 2021 Census indicated that the City's permanent residential population was 8,600, which is small in comparison to the working population in excess of 590,000. The GLA's 2021-based interim housing-led projections suggest that the City's population (excluding those with main homes elsewhere) will have a modest increase to approximately 9,500 by 2040. The 2021 Census indicated that there were 1,700 second homes in the City of London.
- 4.1.2 The majority of the City's housing is concentrated around the edge of the City in four estates (the Barbican, Golden Lane, Middlesex Street and Mansell Street). Other residential areas are located in Smithfield, the Temples, parts of the riverside (Queenhithe), Fleet Street (City West), Carter Lane and around Botolph Lane. Most residential units in the City are flats with one or two bedrooms, which is consistent with the need assessment of unit sizes recommended in the City of London Strategic Housing Market Assessment (SHMA) 2023.
- 4.1.3 The City Corporation is the strategic housing authority for the City of London and a landlord responsible for over 1,900 social tenanted properties and over 900 leaseholder properties across London. The City Corporation provides over 1,800 social housing units on 11 estates that it owns and manages outside of the City of London in the six London boroughs of Southwark, Islington, Lewisham, Lambeth, Hackney and Tower Hamlets. This is in addition to social housing provided within the City. The City Corporation has a current waiting list of 977 (in 2023), 175 of which are existing tenants who are insufficiently housed.
- 4.1.4 Clustering new housing development in or near existing residential areas allows greater opportunity to protect residential amenity and deliver a high-quality residential environment. Residential clustering reduces potential conflict with commercial and office uses. There may be occasional opportunities for new residential development on appropriate sites near identified residential areas, such as through the re-use of heritage assets, where the potential to meet future office needs may be limited by site-specific considerations.
- 4.1.5 References to housing in this Plan include market and affordable housing (comprising social rented housing, affordable rented housing and intermediate housing), hostels, sheltered and extra-care housing. It also includes Built to Rent and Co-Living accommodation which are likely to have an increasing role

in meeting future housing needs, particularly for City workers at an early stage of their careers. References to housing in this Plan do not include student accommodation, as it may be appropriate in different locations to other forms of housing.

- 4.1.6 Co-Living accommodation will contribute towards meeting general housing need at the national ratio for non-self contained accommodation of 1.8 bedrooms to 1 residential unit. Student accommodation contributes to meeting general housing need at the national ratio of 2.5 student rooms to 1 residential unit.

Housing requirement

- 4.1.7 The NPPF sets out a standardised approach to assessing housing need and requires strategic planning authorities to follow this approach in setting housing targets in Local Plans. The City of London Local Plan is required to be in general conformity with the London Plan, which sets a housing target for the City and the London boroughs.
- 4.1.8 The London Plan's strategic framework includes Policy SD5 which indicates that residential development is inappropriate in the commercial core of the City of London. Within this context, the London Plan is informed by a Strategic Housing Land Availability Assessment (SHLAA) for London, providing guidance on the amount of land potentially available in the City for residential development. The 2017 SHLAA identifies a potential supply of large housing sites in the City in the period 2019-2029 of 527 dwellings and an annual average of 74 dwellings on sites under 0.25 hectares, based on past trends. In line with the findings of the SHLAA, the London Plan requires the City of London to deliver 1,460 new homes during the period 2019/20 – 2028/29. This includes the 740 units that the London Plan sets as a target to be provided on small sites of less than 0.25 hectares in size over the 2019/20 – 2028/29 period. Beyond 2028/29, the London Plan requires boroughs and the City to draw on the capacity work which underpins the London Plan target and any local evidence of capacity, as well as rolling forward London Plan small sites estimates, when setting longer term targets.
- 4.1.9 Different assessment methods provide different figures for local housing need. Using the national standard method for assessing local housing need at the time of preparing this Plan, the City's minimum annual local housing need figure would be 102.
- 4.1.10 The City Corporation recognises that the wider housing needs across London support the case for a higher level of housing in the City than indicated by the City's SHMA. This Local Plan therefore seeks to meet the London Plan housing target up to 2029 and to meet the housing requirement identified by the national standard method up to 2040.
- 4.1.11 Housing delivery in the City is impacted by the volatile nature of the wider London housing market. If past volatile trends continue, new housing delivery in the City is likely to fluctuate from year to year and monitoring and delivery

performance should therefore be assessed against overall delivery both in the period up to 2028/29 for the London Plan and up to 2040 for the City's wider housing target, rather than on an annual basis. The City Corporation has prepared a Housing Trajectory which shows that the supply of small and larger windfall sites, together with sites in the development pipeline, will provide sufficient capacity to meet the London Plan requirement by 2028/29.

- 4.1.12 The City Corporation's Article 4 Direction, which removes permitted development rights for the change of use of offices to residential, the size and commercial character of the City and the priority given to commercial development through London Plan Policy SD5, all mean that new housing development in the City of London has been delivered through 'windfall' development rather than through the allocation of sites. City Corporation monitoring shows that in the period 2011/12 to 2021/22, completions and permissions on windfall sites will have delivered an annual average of 198 dwellings per year. It is anticipated that windfalls will continue to deliver the majority of housing. The City Corporation has published a brownfield land register on its website, identifying land that is suitable for residential development in accordance with government requirements. In the event that monitoring demonstrates that insufficient housing land is coming forward, the City Corporation will review this Plan or bring forward a partial review relating to housing land supply.
- 4.1.13 The City Corporation has committed to play a leading role in tackling the housing shortage in London with a pledge to build hundreds of new social homes and thousands of additional mixed tenure homes. The City Corporation aims to deliver at least 700 new social homes on City-owned land and housing estates with potential for renewal and expansion. Where these homes are outside of the City, the City Corporation normally seeks joint nomination rights with the host borough to ensure that the housing can meet both City of London and host borough housing need. The City Corporation as a strategic landowner across London is seeking to deliver a significant number of additional mixed tenure homes on other sites in partnership with other providers, in recognition of the need for additional housing across London to meet housing needs. The co-location of the City Corporation owned and managed wholesale markets (Smithfield Meat Market, Billingsgate Fish Market and New Spitalfields Fruit and Vegetable Market) onto one site in Dagenham would provide an opportunity for mixed use redevelopment which could include housing. Affordable Housing
- 4.1.14 The City of London can be an expensive area to live in. ONS data shows that the affordability ratio of lower quartile house prices to lower quartile residential earnings in 2021/22 was 14.25, above the London average of 13.46 and the England average of 7.28. The City of London SHMA shows that market rental prices in the City were significantly above the London-wide average or the average for inner London, indicating a significant problem of affordability. Overall, the SHMA suggests affordable dwellings should be maximised to meet affordable housing needs.

Gypsy and traveller accommodation

The London Plan indicates that, in the absence of an up-to-date local gypsy and traveller needs assessment, boroughs should use the need figure set out in Table 4.4 of the London Plan. This table indicates that there is no need for specific gypsy and traveller accommodation in the City of London. The City Corporation will work with the Mayor and London Boroughs in the preparation of a London-wide Gypsy and Traveller Accommodation Needs Assessment.

4.2 Strategic Policy S3: Housing

The City Corporation will protect existing housing and amenity and encourage additional housing concentrated in or near the identified residential areas to meet the City's needs by:

1. Making provision for a minimum of 1,998 net additional dwellings between 2023/24 and 2039/40:
 - encouraging new housing development on appropriate sites in or near identified residential areas;
 - within identified residential areas, prioritising the delivery of affordable housing, co-living, build to rent, hostels, sheltered and extra-care housing, while recognising that for sale market housing would be likely in some instances to have a role to play in making housing development viable;
 - protecting existing housing where it is of a suitable quality and in a suitable location;
 - exceptionally, allowing the loss of isolated residential units where there is a poor level of amenity; and
 - refusing new housing where it would prejudice the primary business function of the City or be contrary to Policy OF2.
2. Ensuring sufficient affordable housing is provided to meet the City's housing need and contributing to London's wider housing needs by:
 - ensuring the delivery of a minimum of 50% affordable housing on public sector land; and
 - requiring residential developments with the potential for 10 or more units to provide a minimum of 35% affordable housing on-site. Exceptionally, new affordable housing may be provided off-site, or through an equivalent cash-in lieu payment, if evidence is provided to the City Corporation's satisfaction that on-site provision cannot be satisfactorily delivered and is not viable; and
 - providing an appropriate mix of affordable tenures, addressing identified need in the City of London, including social or London affordable rented housing and intermediate housing (living rent, shared ownership or other genuinely affordable products) for rent or sale.

3. Requiring a publicly accessible viability and feasibility assessment to be submitted to justify any proposals that do not meet on-site or off-site affordable housing requirements in this policy. Where policy targets are not able to be met when an application is decided, the City Corporation will require an upwards only review mechanism to be applied to ensure that the benefits of any subsequent uplift in values or reduction in costs are reflected in affordable housing contributions.
 4. Ensuring that other new land uses within identified residential areas are compatible with residential amenity.
 5. Requiring at least 10% of new dwellings to meet Building Regulation requirement M4(3) 'wheelchair user dwellings' and all other new dwellings to meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings'.
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Reason for the policy

- 4.2.0 London has a severe housing shortage caused by a growing population and an inadequate supply of housing units. The lack of suitable and affordable housing has been identified by many businesses and business groups as a key constraint to further economic development and investment. The scale of housing proposed will contribute towards meeting local and wider London housing needs whilst still ensuring that the City remains predominantly a commercial office centre of national importance.
- 4.2.1 New housing in the City may be suitable for people that need to live near their workplace, especially key workers. Suitably located housing in the City can address local housing need and make a modest contribution to alleviating the housing shortage in London and relieving pressure on the transport system.
- 4.2.2 The London Plan detailed Policy H11 supports Build to Rent developments. Build to Rent accommodation is specifically designed for renting, is typically owned by institutional investors, offers the potential for longer term returns for investors and importantly, longer lease terms and security for tenants. The City Corporation will support Build to Rent in or near the City's residential areas and where it meets the detailed requirements in the London Plan.
- 4.2.3 The City Corporation considers that there is potential within or near the identified residential areas for co-living accommodation and will encourage such provision on appropriate sites. Co-living accommodation will typically provide private ensuite bedrooms, shared social and kitchen spaces and co-working spaces. They are often suitable for people at early stages of their career.
- 4.2.4 Where appropriate, the City Corporation will support the appropriate regeneration of residential estates in the City where it will deliver improved living conditions for existing tenants and provide additional housing to meet housing needs.
- 4.2.5 Many households in London already require accessible or adapted housing to lead dignified and independent lives. More Londoners are living longer and with

the incidence of disability increasing with age, older people should have the choice of remaining in their own homes rather than moving to alternative accommodation.

How the policy works

- 4.2.6 To ensure that permissions for new housing are built out in a timely fashion, developers should provide information on the expected completion date for new residential development. The City Corporation will keep this under review and expect developers to liaise with the Corporation where it becomes apparent that anticipated completion dates cannot be achieved.
- 4.2.7 There is a presumption in national policy and the London Plan that new affordable housing associated with housing development should be provided on-site. The City Corporation will expect developers to deliver on-site affordable housing in new housing development above the affordable housing threshold unless it can be demonstrated through robust assessments that on-site provision is not feasible or viable and that off-site provision would better deliver mixed and inclusive communities than on-site provision.
- 4.2.8 The City Corporation requires commercial development to make a financial contribution towards off-site affordable housing delivery instead of delivering mixed use development including housing on commercial sites. These contributions are used to deliver new affordable housing principally on City Corporation housing estates within and outside the City of London.
- 4.2.9 Land within the City is an expensive and limited resource and there is a policy priority to deliver new office floorspace to strengthen its strategically important business role. The City Corporation therefore also works with housing partners to deliver new affordable housing on sites in the City fringe and in neighbouring boroughs, principally on City Corporation-owned housing estates, utilising commuted sums from commercial and housing developments within the City. This approach has been supported by the GLA and has provided affordable housing in locations in or near the City that meet local housing need, whilst making the best use of scarce City land for strategically important commercial activity. Although some affordable housing provision outside the City will continue to be funded by contributions from commercial development in the City, the presumption in this Plan is that new housing development in the City should provide affordable housing on-site.
- 4.2.10 The London Plan and the Mayor's Affordable Housing and Viability Supplementary Planning Guidance set a strategic target for 50% of all new homes across London to be affordable, with a minimum threshold of 35% affordable housing on all developments comprising more than 10 units or which have a combined floorspace greater than 1,000m². The Mayor has adopted a threshold approach to the consideration of applications for housing. Schemes which meet or exceed 35% affordable housing, or 50% on public sector land, are not required to submit viability information. Where an application does not meet these requirements, a viability assessment is required and the development will be subject to viability review as development progresses.

- 4.2.11 In light of the Mayor's approach and the shortage of available affordable housing to meet the needs of London's workforce, a minimum of 35% affordable housing will be required on residential schemes in the City, with an ambition to deliver higher levels of affordable housing where this is viable. On public sector owned land, the higher 50% target will be applied as set out in the London Plan. The presumption is that affordable housing provision should be made on-site and all sites will be expected to deliver at least the minimum required level of affordable housing. Off-site provision or cash in lieu contributions will only be accepted in exceptional cases. In exceptional cases where off-site provision or cash in lieu contributions are considered to be acceptable in principle, agreements for this should provide no financial benefit to the applicant relative to on-site provision and should include review mechanisms in line with the Viability Tested Route, as set out in the London Plan. This means that the off-site provision, or the financial contribution, will be set at a level which captures the full uplift in value when delivering 100% market housing. This will ensure that the development is not more viable when the affordable housing obligation is satisfied through off-site provision or a cash in lieu payment in comparison to on-site delivery. The level of off-site provision, or the amount of the cash in lieu payment, must be sufficient to deliver at least the same number, size and type of affordable homes that would be required on-site. Further guidance on affordable housing requirements, including the methodology for calculating the level of cash-in lieu or off-site contributions required is set out in the City Corporation's Planning Obligations SPD. This guidance will be kept under review and amended as required to ensure financial contributions keep pace with the cost of delivering affordable housing and will continue to be sufficient to meet the full affordable housing requirements set out in this Plan.
- 4.2.12 Developments that propose lower levels of affordable housing, or where a developer considers particular circumstances exist that make a policy compliant scheme unviable, will need to be supported by robust viability assessments. These assessments will be published alongside other publicly accessible planning application information on the City Corporation's website. The City Corporation will commission an independent review of submitted assessments, with the cost being met by the applicant. Consideration of viability and overall levels of affordable housing should take place at pre-application stage to avoid unnecessary delays in the determination of submitted planning applications.
- 4.2.13 The requirement for on-site affordable housing in this Plan must be reflected in the price paid for land for residential development in the City. Overpaying for a site is not an appropriate justification for failing to meet the affordable housing target.
- 4.2.14 Where a viability assessment demonstrates that the Plan's affordable housing targets cannot be met, the level of contribution should be determined based on the maximum amount of affordable housing at the relevant tenure split that could be provided on-site, as assessed through viability assessments. The detailed wording and timing of these review mechanisms will be determined on a case by case basis, having regard to the City Corporation's Supplementary Planning Document and London Plan Guidance prepared by the Mayor.

- 4.2.15 Various types of affordable housing are included within the national definition of affordable housing. The London Plan indicates that a minimum of 30% should be low cost rented homes, including social rent and London affordable rent, and a minimum of 30% should be intermediate products, such as shared ownership. The remaining 40% should be determined by the relevant borough based on identified need. The City's SHMA found that the need for intermediate housing products was relatively low and that social rented units would most successfully address the City's affordable housing needs. However, different and innovative forms of affordable housing are being developed and the viability and suitability of particular tenures is likely to change over the Plan period. The tenure of affordable housing will therefore need to be determined on a site by site basis, having regard to evidence of need in the City and London Plan requirements. Developers should liaise with the City Corporation's Department of Community and Children's Services to determine an appropriate mix for proposed schemes.
- 4.2.16 The term 'intermediate' housing covers a range of different housing types, including shared ownership products, other low-cost homes for sale and intermediate rent. The City Corporation will take a flexible approach towards intermediate housing, based on the circumstances of each site, and will encourage provision that meets the needs of essential local workers where possible.

4.3 Policy HS1: Location of New Housing

1. New housing will be encouraged on suitable sites in or near identified residential areas. Within these areas a mix of residential, commercial, community, cultural and other uses will be permitted.
 2. New housing must not:
 - prejudice the primary business function of the City. Where proposed development would, result in the loss of office floorspace it must meet the requirements of Policy OF2;
 - inhibit the development potential or business activity in neighbouring commercial buildings and sites; or
 - result in poor residential amenity within existing and proposed development, including excessive noise or disturbance.
 3. Where existing residential estates are being redeveloped, an increased number of residential units will be expected, and the existing affordable housing on-site must be re-provided with at least the equivalent floorspace and tenure of affordable housing. Affordable housing which is re-provided must be offered to existing tenants at rents and service charges equivalent to those in the properties being replaced.
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Reason for the policy

- 4.3.0 The City is a busy and sometimes noisy place, with a high density of development and business activity at all times during the day and evening, seven days a week which has the potential to cause disturbance to residents. Large parts of the City are unsuitable for new housing because it could have an adverse impact on the City's primary business role and would be likely to have poor residential amenity. The London Plan indicates that residential development is inappropriate in identified parts of the City to ensure that the current and future potential to assemble sites and deliver office development is not compromised by residential development. Elsewhere in the City, the London Plan indicates that offices and other strategic functions of the Central Activities Zone should be given greater weight in planning terms than residential development, except in wholly residential streets or predominantly residential neighbourhoods.
- 4.3.1 The City's policy approach is therefore to encourage new housing to be located within or near the identified residential areas shown in Figure 3, where reasonable residential amenity consistent with a central London location can be achieved. This approach helps to minimise disturbance to residents within the areas, while reducing potential conflict with the development and operation of commercial uses and providing a suitable framework for delivery of additional housing in the City.
- 4.3.2 Due to the size and unique character of the City, all new housing has previously come forward on 'windfall' brownfield sites through the redevelopment or conversion of existing buildings as opportunities arise, within a similar policy framework to the one in this City Plan. This pattern of housing delivery is projected to continue throughout the life of this new Plan, delivering sufficient new housing over the Plan period to meet London Plan targets and projected local housing need. There is no need to allocate sites in the Local Plan to meet housing targets.

How the policy works

- 4.3.3 The policy sets out those parts of the City that are suitable for housing, specifically in and around established identified housing areas. In reality, the majority of proposals for new housing in and around these areas would be likely to be on sites occupied by office uses. It is therefore important to read this policy in conjunction with policy OF2.
- 4.3.4 Residential development will not normally be permitted along streets which have high levels of noise and air pollution unless robust evidence is submitted which demonstrates how the development will mitigate the impact of that noise and pollution.
- 4.3.5 Regeneration of housing estates will often involve the redevelopment of existing homes. Regeneration schemes should deliver an increased number of dwellings, where this is compatible with the delivery of a high-quality living environment for existing tenants. Existing affordable housing must be replaced

at an equivalent tenure and offered to existing tenants at rents and service charges levels equivalent to those in the properties being replaced. Tenants should be involved at all stages of the process and have the opportunity to shape the proposals. Regeneration schemes should seek opportunities to improve social infrastructure and open spaces within the estate. This will help protect established local communities.

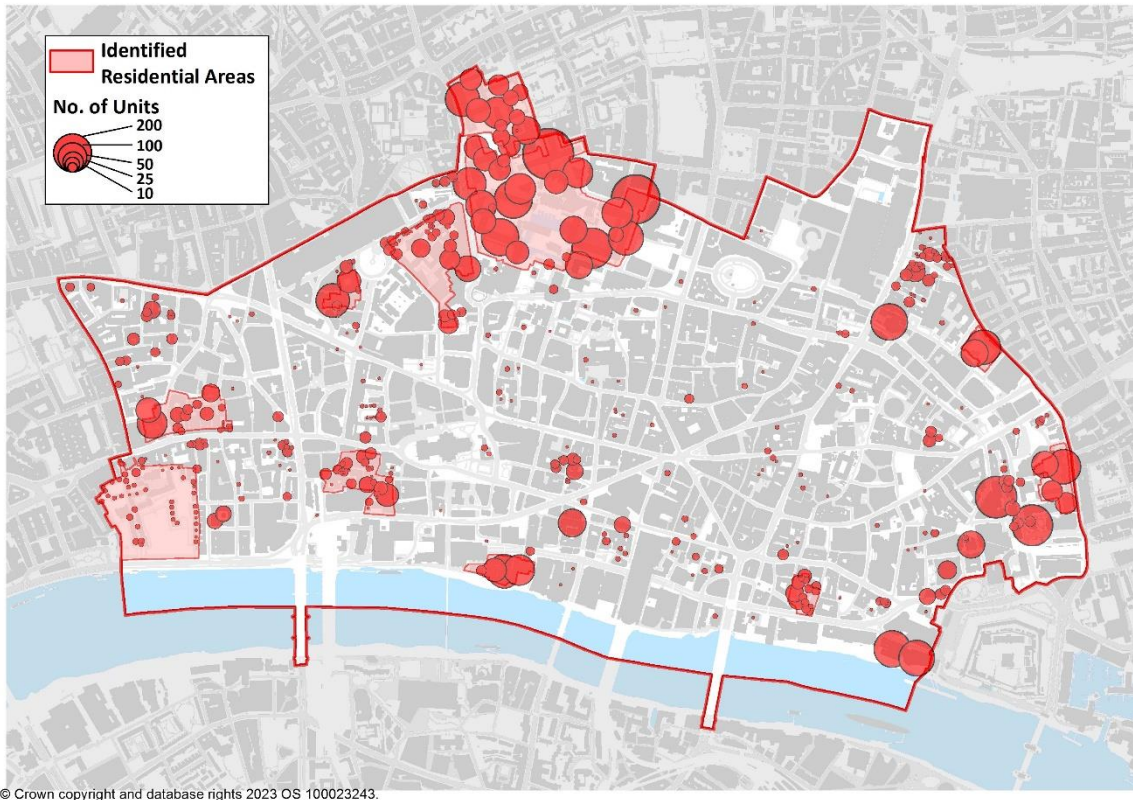


Figure 3: Residential areas

4.4 Policy HS2: Loss of housing

The net loss of existing housing units, including the amalgamation of residential units, will not be permitted except where:

1. they provide poor amenity to residents which cannot be improved; or
2. they do not have a separate entrance; or
3. exceptionally, they are located outside identified residential areas and their loss would enable beneficial development for the business City.

Reason for the policy

- 4.4.0 The net loss of existing housing units will be resisted because of the limited opportunities to replace it in the City. This policy will also be applied to proposals for the amalgamation of adjoining residential units unless the existing

accommodation is of such poor quality that it cannot provide a reasonable standard of amenity, or the proposed amalgamation of no more than two units would meet a clearly identified need for larger family accommodation or for retirement purposes. Exceptionally the net loss of existing housing may be acceptable outside residential areas where the development of offices will have a significant beneficial impact for the City. Isolated residential units outside identified residential areas can suffer poor amenity, such as noise nuisance and other disturbance due to non-residential uses in close proximity, including clubs and pubs, and can be adversely affected by the operation of the business City.

- 4.4.1 Development sites that have received planning permission for residential units, and which demonstrate that there is a deliverable housing element, will be refused permission for change of use to non-residential use.

4.5 Policy HS3: Residential environment

The amenity of existing residents will be protected by resisting uses that would cause unacceptable disturbance from noise, fumes and smells and vehicle or pedestrian movements.

1. New noise-generating uses should be sited away from residential uses where possible. Where residential and other uses are located within the same development or area, adequate noise mitigation measures must be provided within the new development and, where required, planning conditions will be imposed to protect residential amenity.
2. All development proposals should be designed to minimise overlooking and seek to protect the privacy, day lighting and sun lighting levels to adjacent residential accommodation. Light spill from development that could affect residential areas should be minimised, in line with policy DE9.
3. The cumulative impact of planning applications for individual developments on the amenity of existing residents will be considered.

Reason for the policy

- 4.5.0 The City is predominately a centre of business, with activity taking place at all times during the day and evenings, 7 days a week. This sometimes results in noise and disturbance to residents from new commercial development and commercial activities nearby. While the City Corporation will endeavour to minimise noise and other disturbance to residents it is inevitable that living in such a densely built-up area will result in some disturbance from a variety of sources, particularly outside the identified residential areas.
- 4.5.1 The need to minimise overlooking and overshadowing of residential accommodation and minimise light spill where it impacts on residential accommodation, is a consideration in the design and layout of both new residential buildings and other development. However due to the density of

development in the City it may not always be possible to entirely avoid any impacts on amenity.

How the policy works

- 4.5.2 The 'Agent of Change' principle makes developers responsible for addressing at the design stage the environmental and other impacts of development on existing neighbouring occupiers. Applicants for development near to existing residential properties should identify potential impacts on residential amenity and set out measures to mitigate those impacts within their Design and Access Statements or other supporting application documents. Where required, planning conditions will be imposed to limit hours of operation and servicing within predominantly residential areas.

4.6 Policy HS4: Housing quality standards

All new housing must be of a high-quality design and of a standard that facilitates the health and wellbeing of occupants and neighbouring occupants, and:

1. meets London Plan housing space standards, including outdoor space standards and amenity space for individual units;
2. meets standards for Secured by Design or similar certification;
3. maximises opportunities for providing communal open and leisure space for residents;

Reason for the policy

- 4.6.0 All new housing, including changes of use to housing from other uses, will be expected to provide well designed, high quality living environments, both internally and externally, incorporating principles of inclusive, secure and sustainable design.

How the policy works

- 4.6.1 Housing development should comply with the requirements in the London Plan. The layout should incorporate sufficient space and facilities for waste, recycling bins and disabled and cycle parking.
- 4.6.2 Private outdoor space should be provided in line with London Plan standards. Amenity space for residents could include gardens, roof top gardens/terraces, private balconies and the provision of new sports and recreational facilities. Play space should also be included in line with the requirements in Policy HL8. There should be no distinction between amenity spaces and play areas for private and affordable housing residents. Proposals which seek to restrict access to such areas by affordable housing tenants will be refused.

4.7 Policy HS5: Short term residential letting

1. Short term letting of permanent residential premises for over 90 days in a calendar year will not normally be permitted as it would reduce the stock of permanent housing in the City and may adversely impact the amenity of existing residents.
2. Short term letting to provide residential accommodation for commercial purposes will not be permitted unless the units are contained within a separate building and will not be permitted if mixed with permanent residential accommodation.
3. Where short term residential letting is permitted for commercial purposes, conditions will be imposed to prevent any later changes to permanent residential use in unsuitable accommodation or locations.

Reason for the policy

- 4.7.0 The City of London is primarily a commercial office centre. There is a small stock of permanent residential properties, and this stock needs to be maintained and increased to ensure that the City can continue to meet its assessed housing need. Loss of residential accommodation to short-term letting would reduce the overall stock of permanent housing and the City's ability to meet its housing need. At the same time, there is some demand for residential accommodation that can be let on a short-term basis to provide for the needs of the City's business community, particularly for visiting workers. Such short-term accommodation has a role to play but should not be mixed with permanent residential accommodation as it can impact the amenity of neighbours.

How the policy works

- 4.7.1 Under the Deregulation Act 2015, short-term letting for less than 90 days in a calendar year of domestic premises liable for council tax does not require planning permission. Letting for periods of more than 90 days in a calendar year would require permission.
- 4.7.2 Short term residential lets of more than 90 days in a calendar year within domestic premises will not normally be permitted as they would reduce the stock of permanent housing in the City, possibly jeopardise housing delivery targets, and adversely impacting on the amenity of existing residents.
- 4.7.3 Change of use of short term residential letting accommodation to permanent dwellings will normally be permitted where housing and amenity standards are met and the location accords with Policy HS1.
- 4.7.4 Where short term lets are proposed, the units should be contained in a separate block that is designed and managed for this purpose rather than forming part of a mixed block of short term and permanent residential units or short term residential lets and commercial activities.

4.7.5 The requirement for the provision of affordable housing in Policy S3 applies to the commercial provision of self-contained short let residential accommodation.

4.8 Policy HS6: Student accommodation and hostels

1. Proposals for new Purpose-Built Student Accommodation (PBSA) and hostels should support the City of London's primary business function and the vibrancy of the Square Mile. They will only be permitted where:

- they would meet high standards of design and amenity for occupants;
- there are appropriate amenities for occupants in the local area;
- they are well connected to relevant further or higher education institutions;
- they would not prejudice the primary business function of the City, or result in the loss of suitably located and viable office floorspace, contrary to Policy OF2;
- they would not have an adverse impact on the residential amenity of the area; and
- they would not involve the loss of permanent residential accommodation.

2. Proposals for PBSA should be supported by identified further or higher educational institutions operating in the City of London or the Central Activities Zone.

3. 35% of student accommodation on a site should be secured as affordable student accommodation as defined through the London Plan and associated guidance.

4. The loss of existing student accommodation and hostels to other suitable uses which are in accordance with Local Plan policies will be permitted where there is no longer a need to provide accommodation for CAZ based universities or there is evidence that student accommodation is impacting on residential or business amenity.

Reason for the policy

4.8.0 The demand for student accommodation in London continues to grow. Higher education provision is a key part of London's attractiveness as a World City and supports the City of London's commercial role. However, opportunities for residential development in the City are limited and student accommodation may represent an opportunity lost to meet other housing needs in residential areas.

How the policy works

4.8.1 New Purpose-Built Student Accommodation (PBSA) should be supported by an identified further or higher educational institution for the housing of its own students. To reduce the need to travel between student accommodation and

educational institutions, PBSA providers should seek support from institutions within the City or the Central Activities Zone through nomination agreements in line with London Plan requirements. Nomination agreements, secured by s106 agreements, will be required for all affordable student accommodation.

- 4.8.2 The Housing Delivery Test establishes a national ratio that every 2.5 student bedrooms in PBSA meet the same housing need as one conventional housing unit and contribute to meeting the City's housing target at this ratio.
- 4.8.3 Student accommodation, like all development in the Square Mile, should meet the highest standards of accessibility and inclusive design. To help achieve this, the appropriate proportions of accessible rooms should be provided, in line with guidance issued by the Greater London Authority, which advises that the relevant part of London Plan Policy E10 Part H applies to development proposals for new non-self-contained student accommodation.
- 4.8.4 Student accommodation should be built to a high standard, including appropriate sunlight and daylight levels.
- 4.8.5 New student accommodation must not impact adversely on the amenity of existing residents or occupiers, either individually or cumulatively with other student accommodation developments. Developers will be expected to proactively liaise with local residents and businesses to manage the impacts of the development and offer mitigation solutions. Applicants will be required to submit Management Statements detailing how amenity issues will be addressed.
- 4.8.6 Hostels can contribute to providing accommodation for homeless people. The City Corporation's Homelessness Strategy outlines how the Corporation will seek to reduce the incidence of rough sleeping in the City through collaborative working with outreach services, health services, the City of London Police, businesses and others. The Strategy seeks to provide appropriate accommodation options for homeless people, including through the use of s106 contributions to deliver new affordable housing or hostels. Hostels may be acceptable within or near identified residential areas, where the amenity of existing occupiers is protected.

4.9 Policy HS7: Older persons housing

The City Corporation will aim to ensure there is a sufficient supply of appropriate housing available for older people by:

1. Seeking to provide a minimum of 86 net additional dwellings for older persons between 2019/20 and 2035/36 2023 and 2040 supporting development that meets the specific needs of older people;
2. supporting development that replaces existing provision for older people with better provision that addresses care needs or fosters independent living;

3. ensuring new development is inclusive and accessible to all to allow people to continue living in their own homes; and
 4. resisting development that involves the net loss of housing for older people.
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Reason for the policy

4.9.0 The City of London has an ageing resident population profile, in line with national demographic trends. Some people will wish to remain in their own homes, with suitable adaptations, or may choose to move into specialist housing which caters for the needs of older people, with varying degrees of support. The City of London SHMA identifies a need for 86 specialist older person units over the life of the Plan, however this figure does not take into account older people who choose to stay in their own homes and access personalised care. The London Plan has an indicative figure of 10 units per year.

How the policy works

4.9.1 The City Corporation will work with developers to encourage the provision of sufficient accommodation suitable for older people, including provision of specialist older persons accommodation, where feasible, to meet identified needs. Housing suitable for older persons, including sheltered housing, is provided by the City Corporation on its land and estates, inside and outside of the City. Provision outside the City may assist in meeting the need for older persons housing for City residents through nomination rights. Specialist older persons housing should deliver affordable housing in line with Policy S3.

4.10 Policy HS8: Self and custom housebuilding

The City Corporation will encourage the provision of self and custom build units within large residential schemes.

Reason for the policy

4.10.0 The Self Build and Custom Housing Building Act 2015 requires councils to create a public register of individuals and groups who are interested in acquiring a plot to use for a self-build or custom build home. The City Corporation launched its own register for prospective self-builders in 2016.

How the policy works

4.10.1 There are no large areas of unused land in the City of London that would provide an opportunity to create serviced building plots. Furthermore, self-build and custom-build are likely to involve lower density development, which would conflict with policies in the Plan which seek to maximise housing supply. Given

these constraints, the City Corporation considers that the best prospect for bringing forward suitable land will be in conjunction with large housing developments.

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5. Offices

5.1 Strategic Policy S4: Offices

The City Corporation will facilitate significant growth in office development of the highest quality to meet projected economic and employment growth by:

1. Increasing the City's office floorspace stock by a minimum of 1,200,000 m² net during the period 2021 to 2040, phased as follows:
 - 2021 – 2026 500,000m²
 - 2026 – 2031 400,000m²
 - 2031 – 2036 200,000m²
 - 2036 – 2040 100,000m²
 2. Ensuring that new floorspace is designed to be flexible to allow the transformation and adaptation of space to support new uses, different layouts and configurations, different types and sizes of occupiers, and to meet the needs of SMEs, start-up companies, creative industries and those requiring move-on accommodation.
 3. Promoting the retrofitting of existing office buildings for office use and upgrades to their environmental performance and the quality of accommodation.
 4. Where appropriate, encouraging the provision of affordable office workspace that allows small and growing businesses the opportunity to take up space within the City.
 5. Protecting existing office stock from being lost to other uses where there is an identified need or where the loss would cause harm to the primary business function of the City. Where necessary, conditions may be attached to permissions for new office floorspace to secure its long-term use for such purposes.
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Reason for the policy

- 5.1.0 The City of London is a world leading international financial and professional services centre and has a nationally important role in the economy. The intense concentration of business occupiers in a small area is a key part of the attraction for companies looking to move into the City. The clustering of businesses is a vital part of the City's operation and contributes to its reputation as a dynamic place to do business as well as providing agglomeration benefits. The City lies wholly within London's Central Activity Zone (CAZ) where the London Plan promotes further economic and employment growth.
- 5.1.1 To maintain this position, it is vital to ensure that sufficient office floorspace is available to meet projected employment growth and occupier demand and that additional office development is of high quality and suitable for a variety of occupiers. The overall office floorspace target of 1,200,000m² is derived from the estimated growth in office employment between 2021 and 2040 and

represents a 13% increase in floorspace. Capacity modelling demonstrates that there are sufficient sites to meet this demand, provided primarily within the City Cluster area, supplemented by additional capacity elsewhere in the City.

- 5.1.2 The demand target is the central of three projections, based on different scenarios for office attendance, office densities, occupancy rates and employment projections. The central target is aligned with GLA 2022-based long term employment projections for London and the Square Mile.
- 5.1.3 Recent years have also seen strong demand for 'best in class' or Grade A+ floorspace. Many businesses are placing greater value on high-quality sustainable and well-being credentials, quiet spaces for phone calls or working, abundance of meeting spaces and places for collaboration, good access to public transport and food and beverage amenities as well as design that communicates the company's brand and values.
- 5.1.4 Office floorspace need will be met through the delivery of new office space and through the refurbishment and retrofit of existing space to comply with current office floorspace standards and meet the Government-set requirements for minimum energy efficiency standards.
- 5.1.5 Traditional office based jobs are the dominant sector in the Square Mile, representing 59% (346,000) of all jobs in 2021, but emerging office-based firms are faster-growing, consisting of 41,600 new jobs (+62% between 2015 and 2021). There were 22,300 businesses and 590,000 workers in the City in 2021 and employment is projected to continue to grow over the long term. The City accommodates 440,000 office based jobs in an estimated 5.3 million m2 (Net Internal Area) of office space. Over 99% of all the City businesses are Small and Medium Enterprises (SMEs) with fewer than 250 employees; 80% have fewer than 10 employees.
- 5.1.6 In 2023, 29% of take-up of office floorspace in the City of London was from media and tech firms, compared to 19% from financial companies, indicating an increasing shift away from the dominance of financial services, and an increasing demand from new types of occupiers. This broader range of occupiers is creating requirements for a broader range of office types.
- 5.1.7 Demand for Incubator, Accelerator and Co-Working (IAC) floorspace is predicted to continue to grow across London and this type of accommodation is seen as important to the growth of SMEs. Delivering these types of workspace within the City will meet the needs of smaller businesses in particular and help to grow both the City and the wider London economy.
- 5.1.8 As well as providing flexible space, it is important to ensure that there is floorspace that is affordable to start-up and growing businesses. Accommodation costs are a major overhead for new businesses and rents in the City can be prohibitive to new occupiers. The City has seen substantial growth in the serviced and co-working office market in recent years and flexibility of lease arrangements provides a range of opportunities to accommodate both new and growing businesses. Developers and building

owners are also encouraged to consider a range of leasing structures, including below market rents to ensure that a range of affordable workspaces are available to meet demand, in particular from new and emerging sectors of the economy and creative industries.

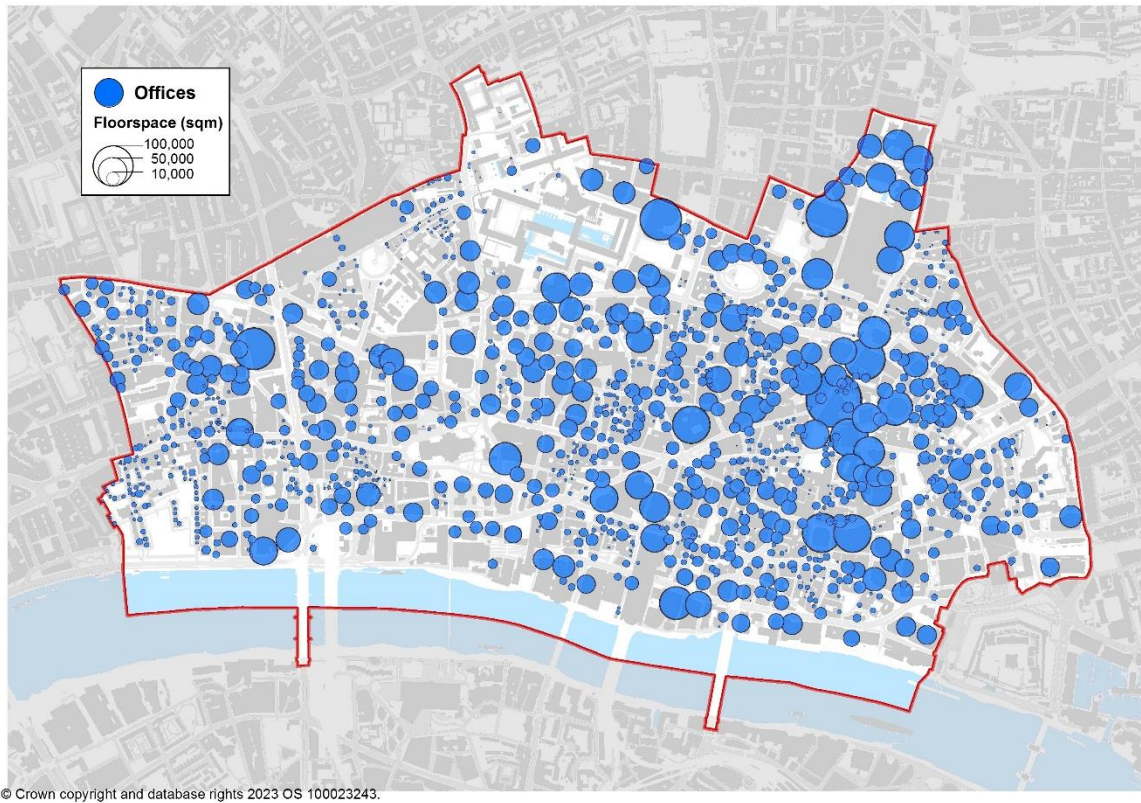


Figure 4: Office distribution

How the policy works

- 5.1.9 Strategic Policy S4 indicates the amount of floorspace required to meet the forecast employment growth and will encourage the flexible floorspace needed to attract and retain a range of occupiers.
- 5.1.10 The delivery of floorspace in the City will be phased across the plan period, with indicative phasing targets identified in the policy. Phasing allows for short term monitoring of progress in meeting floorspace targets and effective planning for supporting services and infrastructure. A significant amount of office floorspace is under construction in the City, much of which will be completed in the first 2 phasing periods.
- 5.1.11 The City Corporation has made an Article 4 Direction removing permitted development rights for the change of use of offices (E(g)(i)) to dwelling houses (C3) across the whole of the City. The Direction is consistent with the approach to office development and protection of offices set out in this Plan.

5.1.12 Changes to the Use Classes Order introduced in September 2020 mean that offices can be converted to a range of other Class E commercial, business and service uses without planning permission. Where permission is granted for office schemes that meet a specific identified need, conditions may be attached to ensure the impacts of any proposed later conversion of such space can be considered through the planning application process.

5.2 Policy OF1: Office Development

1. Office development should:

- Prioritise the retrofitting of existing buildings;
- be of an outstanding design and an exemplar of sustainability;
- be designed for future flexibility to future proof the City's office stock and realise the principles of circular economy design approaches;
- provide office floorspace suitable for a range of occupiers;
- provide healthy and inclusive working environments that promote wellbeing; and
- where appropriate, provide a proportion of flexible and affordable workspace suitable for micro, small and medium sized enterprises.

2. Other commercial uses will be encouraged as part of office-led development, particularly at ground and basement levels, where such uses would not compromise the operation of office premises, would activate streets and provide supporting services for businesses, workers and residents.

Reason for the policy

5.2.0 A range of office floorspace is required to accommodate the future needs of the City's office occupiers and this should include provision for incubator, co-working and accelerator space, as well as provision for larger firms where required. Flexible and affordable office floorspace is required that can be easily adapted to meet changing workplace and technology requirements and the needs of a variety of office occupiers.

5.2.1 Offices are the predominant land use in the City, but complementary uses are required to provide supporting activities and services for businesses, workers and residents in appropriate locations within the City. Complementary uses which contribute to the City's economy include retail, leisure, education, health facilities and cultural uses. A mix of commercial land uses, in particular at ground floor and basement levels, will be required to create active frontages enhancing an area's vitality and provide important complementary services. They also provide opportunities for creativity, collaboration and social interaction, which are key to the success of the City's business clusters. Some

uses have the potential to undermine the functioning, servicing and use of offices, particularly in areas of high density employment and where offices are required to be serviced overnight.

How the policy works

- 5.2.2 Proposals for new office development should demonstrate design quality and flexibility to accommodate a range of businesses. Particular encouragement will be given to floorspace which meets the needs of small businesses, start-ups and incubator space. Office development should include a suitable mix of complementary commercial or other uses appropriate to the site and location and contribute to the creation of active frontages at street level. Where appropriate, conditions or legal obligations may be used to ensure the delivery of a range of affordable workspaces.
- 5.2.3 Many office lobbies have been designed to project a corporate image, and function as through space to access lifts. This can lead to a blank frontage on the street, especially with large windows on the façade with minimal internal activity and no public access. A lobby has the potential to be a more interesting and engaging space. Lobbies can be multifunctional spaces for interaction and provide spaces that contribute positively to the life of the City. The addition of publicly accessible facilities (including public toilets), co working spaces, breakout spaces, art gallery or cafes can create a more active lobby. Office buildings should include dynamic ground level uses to enhance their lobbies. Entrances should be easy to identify and should allow everyone to use them independently without additional effort, separation or special treatment. Revolving entrance doors are not accessible to a range of people.

5.3 Policy OF2: Protection of Existing Office Floorspace

1. The loss of existing office floorspace will be resisted unless it can be demonstrated that:
 - the proposed development would not lead to the loss of office floorspace that is, or sites that are, of a strategically important scale, type and/or location for the City;
 - the proposed development would not compromise the potential for office development on sites within the vicinity; and
 - there is no demand in the office market, supported by marketing evidence covering a period of no less than 12 months.
2. Where the criteria in part 1 of this policy have been met, proposals that would lead to the loss of existing office floorspace may follow one of the following routes:
 - a. Viability tested route: Proposed development will be required to demonstrate that the retention, refurbishment or reprovision of the office

floorspace would not be viable in the longer term, demonstrated by a viability assessment;

- b. Retrofit fast track: Proposed development will be required to retain the substantial majority of the superstructure of the existing building, lead to an improvement in the environmental performance of the building, and result in change of use to (one or a mix of) hotel use, cultural uses, and/or educational use. Partial retention of office floorspace will be encouraged;
- c. Residential areas route: the loss of office floorspace is proposed on a site within or immediately adjacent to identified residential areas and would result in the provision of additional housing;
- d. Ground floor uses: the loss of office floorspace would be limited to ground or below ground levels, and proposed new uses would be complementary to continued office use on upper floors. Active frontage uses will be required at ground floor levels in most instances.

Reason for the policy

- 5.3.0 The City is the world's leading international financial and professional services centre and is recognised as having a key role in the UK economy. To maintain this position and accommodate the projected increase in employment and office floorspace, it is important to maintain the substantial majority of existing office stock whilst accommodating future demand through the provision of flexible floorspace that is suitable for a range of occupiers and refurbished office space.
- 5.3.1 The protection and refurbishment of existing office space is important to ensure that there is sufficient floorspace to meet future demand, and to offer a range of office stock to provide choice in terms of location and cost to potential occupiers. This includes 'best in class', grade A and grade B floorspace. While the current market for grade B space in the City is facing headwinds, with some traditional grade B occupiers shifting to more flexible working patterns or seeking other forms of flexible workspace, it remains uncertain whether this will persist over the longer term. This will be monitored and guidance will be issued if required to provide additional advice on appropriate responses to this potential challenge.
- 5.3.2 Following changes to the Use Classes Order introduced in September 2020, existing offices **can** be converted to a range of other Class E commercial, business and service uses without planning permission, unless there are specific planning conditions attached to a site which prevent this.
- 5.3.3 Refurbishment of office floorspace will be encouraged to accommodate future needs, whilst aligning with the sustainability principles set out in Policy DE1 and the need to find suitable and sustainable uses for historic buildings.

- 5.3.4 The City of London Local Plan has for many years sought to protect suitably located and viable office floorspace, with marketing and viability evidence required to support proposals that result in a loss of office floorspace. This approach, supported by policy in the London Plan, has successfully protected the critical mass of office floorspace in the City, helping to maintain its primary office function. This broad approach will be maintained. However, there are instances where conversion of office buildings to other uses may assist in making the retention of existing buildings a more attractive investment opportunity, contributing to the 'retrofit first' approach promoted in this Plan. This approach could also assist in delivering a greater range of facilities and uses in the City, complementing the primary function of the Square Mile while helping to deliver more vibrancy and a focus on increasing visitors. To achieve this, the 'retrofit fast track' approach has been introduced, removing the requirement for viability justification for a change of use in the circumstances set out in policy. The alternative uses set out – education, culture and hotels – would all help to create a more vibrant Square Mile.
- 5.3.5 Within and immediately adjacent to identified residential areas, the loss of office floorspace for which there is no ongoing demand may assist in providing housing, to help meet the housing requirement set out in this Plan.

How the policy works

- 5.3.6 Where loss of office is proposed, development will need to meet all the criteria set out in part 1 of the policy, and will need to pursue one of the four routes set out in part 2.
- 5.3.7 Robust evidence of the marketing of the building or site for continued office use over a period of at least 12 months will need to be demonstrated to comply with part 1 of the policy. The City Corporation will need to be satisfied that the site/building has been offered at a realistic price commensurate with the value of the site/building for office use and that active promotion has been undertaken by the agents marketing the site over the period.
- 5.3.8 Viability assessments submitted in accordance with this policy will be made public, other than in exceptional circumstances, as set out in Policy PC1. Viability assessments should include the following:
- Site description;
 - A valuation of the building in its existing use unfettered by any hope value;
 - Total costs of maintaining the building as existing and in the future;
 - Costs of refurbishing or redeveloping the building for office use;
 - Information on rents and capital values;
 - Information on current and recent occupation;
 - Target rates of return (internal rate of return or other appropriate measure); and

- Sensitivity testing to support the robustness of the report conclusions.

5.3.9 Where a change in use is proposed from office floorspace to another use, including complementary uses which enhance the attractiveness of the City, or meet other policy priorities set out in this Plan, then the provision of a full viability assessment may not be required. This would include where complementary uses meet the needs of City workers, residents and visitors and help make City buildings much more open and welcoming to all, or where educational facilities which help attract talented individuals or innovative business to the City are proposed. It would also include where the change of use of office floorspace at ground and lower ground levels improves the vibrancy of an area by introducing more active frontages and delivering more permeable buildings and spaces. The priority to reduce carbon emissions and retain embodied carbon set out in Plan also means that changes of use from office to alternative uses which retain embodied carbon may also not require full viability information to justify the loss of office.

5.3.10 Further guidance on the evidence required to support the loss of office floorspace is set out in the Office Use SPD.

5.4 Policy OF3: Temporary ‘Meanwhile’ Uses

1. Temporary use of vacant commercial, business and service buildings or sites (‘meanwhile’ uses) will be encouraged where the proposed use would not result in adverse impacts on the amenity of the surrounding area or the primary business role of the City. Where temporary permission is granted, it will be for a period not exceeding 36 months and the site will revert to its prior lawful use thereafter. Culture and Vibrancy Plans that accompany major developments should explore the potential for meanwhile use.
2. Residential development is not considered an appropriate meanwhile use and will not be permitted.
3. Where a major development would affect existing ground floor or podium level active uses (Class E (a)-(f)), these units should be kept in active use for as long as possible prior to development taking place. Culture and Vibrancy Plans should set out how this will be achieved.

Reason for the policy

- 5.4.0 Where buildings or sites in Class E commercial, business or service uses are vacant, and development is not expected in the short term, ‘meanwhile’ or temporary uses will be supported to ensure the vitality and vibrancy of the City is maintained, subject to the impact on surrounding uses.
- 5.4.1 Many development sites in the City include shops, restaurants and other active uses within the curtilage. Where leases end prior to redevelopment, these units

can remain vacant for long periods, undermining the vibrancy of the area. Meanwhile uses of these spaces prior to redevelopment would help to address this.

How the policy works

- 5.4.2 ‘ Meanwhile’ uses will be granted subject to conditions for a maximum of 36 months, after which the use will revert to its prior lawful use. Applications to extend the period of the ‘meanwhile’ use or make it permanent will be considered against the relevant policies in the Development Plan and will not be permitted unless it is demonstrated that the permanent loss of the prior lawful use is acceptable.

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