

**Wandsworth Local Plan**

**Housing Summary Report**

**October 2014**



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## Introduction

1. This paper provides a summary of the current housing need, target and supply position in Wandsworth. The aim of this paper is to provide an overview of a number of different documents relating to different aspects of housing and therefore should be read in conjunction with the relevant reports (see links below). These include:

[The Wandsworth Strategic Housing Market Assessment \(SHMA\) 2012](#)

[The Wandsworth SHMA Update 2014 \(including the objective assessment of need\)](#)

[The Wandsworth Annual Monitoring Report - Housing 2014](#)

[The London SHMA 2013](#)

[The London SHLAA 2013](#)

[The adopted 2011 London Plan](#)

[The Further Alterations to the London Plan \(FALP\) 2014](#)

[Nine Elms Vauxhall Phasing and Investment Study Update](#)

## The Objectively Assessed Need for Housing (SHMA)

2. The National Planning Policy Framework (NPPF) and the associated National Planning Practice Guidance (NPPG) require local planning authorities to objectively assess their need for housing. Wandsworth is part of the London Housing Market Area (HMA) and as such a London-wide Strategic Housing Market Assessment (SHMA) was undertaken by the GLA to assess the needs of London as a whole. It concluded that there was a need for 49,000 dwellings per year in London between 2015/16 and 2024/25. However, in the Further Alterations to the London Plan (FALP), the GLA states that *“boroughs must be mindful that for their LDFs to be found sound they must demonstrate they have sought to boost supply significantly by meeting the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework”*.
3. Wandsworth produced a SHMA in 2012 which assessed the need for affordable housing in the borough. However, this was produced prior to the NPPF and NPPG and therefore did not include an objective assessment of overall housing need. Therefore, given time and resource constraints and the fact that the existing SHMA was less than 2 years old, a SHMA update report was produced in 2014. This was intended to update some of the key data in the 2012 SHMA where necessary and also to include the objective assessment of need as required by the FALP in accordance with the principles set out in the NPPF and NPPG.
4. The Wandsworth SHMA Update 2014 concluded that the objectively assessed need for housing was around 1,238 dwellings per annum over the 15 year period (2015-2030); equating to a total requirement of 18,570. This is based on the GLA’s ‘high’ population projection scenario with an upward adjustment of 31% made to allow for the findings of the market signals analysis as required by the guidance. The GLA use the ‘central’ population projection scenario for their own London SHMA analysis as they think this is the most likely to occur. However due to uncertainty regarding future patterns of migration out of London, Wandsworth have used the high scenario. If using the central scenario to align with the GLA, the annual need figure would be 984 dwellings per year including the same upward adjustment as described above.

5. The net annual need for affordable housing was around 634 dwellings per year with a split of around 60% social rent and 40% intermediate. This was based on analysis of recent trends in newly forming households who were unable to afford to buy on the open market (households currently living with friends/family and accepted onto the Council's affordable housing queues). An affordable requirement of 634 per year would equate to around 51% of the total requirement of 1,238. This is unlikely to be viable according to the latest viability evidence<sup>1</sup> which suggests that around 33% affordable housing is viable in most of the borough, with at least 15 % affordable housing being viable in Nine Elms (the Wandsworth part of the Vauxhall Opportunity Area), due to the need to provide essential infrastructure such as the Northern line extension. The gross need for affordable housing is calculated using a different methodology and was estimated to be around 1,600 affordable dwellings per year. The gross need includes households that already exist in the borough but that ideally require a different size, type or tenure of property to the one they currently have and therefore does not equate to a need to build that many additional new homes. The SHMA concludes that Wandsworth can meet its objectively assessed housing need however, like many other inner London boroughs; it may not be able to fully meet its affordable housing need due to viability constraints and the high cost of housing in this area<sup>2</sup>.

## **The Housing Target**

6. The Mayor of London sets a minimum target for the provision of new homes for London as whole and individual London boroughs in the London Plan. The 2011 London Plan set an annual target of 1,145 dwellings per annum of which 1,081 was conventional (self contained) dwellings per year between 2011 and 2021. However the FALP, which is currently subject to examination, sets a considerably higher target of 1,812 dwellings per annum based on the 2013 London Strategic Housing Land Availability Assessment (SHLAA). The SHLAA indicates that this target includes 1,724 conventional dwellings per annum between 2015 and 2030. It also sets a target of 88 non-conventional (non self-contained i.e. student halls, nursing homes etc) dwellings per annum, which equates to 880 over the same 10 year period.
7. The 2<sup>nd</sup> Proposed Submission Wandsworth Local Plan is a 15 year plan and uses the London Plan target up to 2025 and then assumes the same annual rate up to 2030 resulting in a total target for conventional homes of 25,860 between 2015 and 2030 (15 x 1,724)

## **London SHLAA 2013**

8. The GLA conducted a London-wide SHLAA in 2013 in conjunction with the boroughs. The process involved identifying large sites (over 0.25ha) and then assessing the

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<sup>1</sup> [Affordable Housing Economic Viability Assessment \(AHEVA\) Update 2013](#)

<sup>2</sup> Further details about the affordable housing need and objective assessment can be found in the 2012 SHMA and 2014 SHMA update. See links at beginning of document.

probability of delivery and capacity of each of these sites based on potential constraints. For sites under 0.25ha (small sites), trend data was analysed to identify likely future delivery rates. These figures were used by the GLA to determine the FALP targets as set out above. For Wandsworth, the capacity for the London Plan period (2015-2030) was identified as follows:

Table 1 – Wandsworth SHLAA capacity figures (2013 London SHLAA)

Period	Large Sites Capacity	Small Sites Allowance	Conventional Total (large sites plus small site allowance)	Non self contained	Total Conventional and non self contained
London Plan period (2015-2025)	12,512	4,734	<b>17,246</b>	877	<b>18,123</b>
Annual	1,251	473	<b>1,724</b>	88	<b>1,812</b>

## Wandsworth Housing Supply

9. Wandsworth have produced 2 housing trajectories in the 2013/14 Annual Monitoring Report. They are based on the same capacity figures however have different phasing assumptions. Both housing trajectories show that the target of 25,860 can be met and both are able to demonstrate a 5 year housing land supply (+ buffer) as set out below.

### Past Performance

10. The NPPF requires local authorities to add an additional buffer of 5% to their 5 year housing land supply (moved forward from later in the plan period) to ensure choice and competition in the market for land. It also states that where there has been a record of persistent under delivery of housing, local authorities should increase the buffer to 20%. As the table below indicates, there has not been a record of persistent under delivery. Over the past 7 years there have been fluctuations in the number of dwellings completed, however overall the target has been exceeded by 1,485 dwellings. Therefore Wandsworth will use the 5% buffer in its 5 year housing land supply calculations.

Table 2 – Wandsworth net dwelling completions compared to target 2007-2014

	Target	Additional Homes Completed	Performance against target
2007/08	692	1,031	+339
2008/09	692	1,506	+814
2009/10	692	1,539	+847
2010/11	692	481	-211
2011/12	1,081	979	-102
2012/13	1,081	763	-318
2013/14	1,081	1,197	+116
<b>Total</b>	<b>6,011</b>	<b>7,496</b>	<b>+1,485</b>

## Housing Trajectory 2013/14 Scenario 1 – Expected Delivery

11. Scenario 1 shows expected delivery based on the latest information available and shows slightly accelerated growth compared to Scenario 2. This mainly relates to the phasing assumptions used for the Nine Elms area which are based on the 2013 Phasing and Investment Strategy findings. Both scenarios are based on smoothing/delaying the peak of development indicated by developer returns, with further delays built into the delivery assumed in Scenario 2. Scenario 1 is used as the main housing trajectory in 2013/14 as it now thought to be the most likely scenario to occur. This will be reviewed annually. The Housing Trajectory in Scenario 1 (expected delivery) includes the following:

Table 3 – Wandsworth Housing Trajectory 2013/14 Scenario 1 Delivery (2015/16 to 2029/30)

Description	Capacity/Allowance expected in plan period (2015/16 – 2029/30)	Phasing
Sites under construction at 31 <sup>st</sup> March 2014	4,151	Sites with less than 20 units assumed to be deliverable within 5 years. Sites with 20 or more units sent annual applicant/agent survey and phasing based on responses.
Sites with planning permission not started at 31 <sup>st</sup> March 2014	12,134	Sites with less than 20 units assumed to be deliverable within 5 years. Sites with 20 or more units sent annual applicant/agent survey and phasing based on responses. Where it has not been possible to contact the applicant or agent and no alternative source of phasing is available (i.e. Wandsworth housing department) sites have been assessed as deliverable between 2015/16 to 2018/19. Responses or alternative information received for all except 5 sites. Sites within NEV are based on the latest Nine Elms Vauxhall Phasing and Investment Study (scenario 2) which includes a survey of all developers/land owners etc.
Sites pending a decision or at appeal at 31 <sup>st</sup> March 2014	504	Assumed deliverable within trajectory period but not within years 1 to 5.
Sites approved but awaiting S106 agreement	299	As per sites with planning permission (see above).
Identified SHLAA sites (over 0.25 ha) in NEV	1,863	Based on 2013 Nine Elms Vauxhall Phasing and Investment Study (BNP Paribas) Scenario 2. The study includes a survey of all developers/land owners etc. Capacity based on SHLAA notional capacity.
Identified SHLAA sites (over 0.25 ha) outside NEV	1,799	Based on 2013 London SHLAA phasing assumptions. Each site individually assessed as part of SHLAA process and potential constraints applied. Capacity based on SHLAA constrained capacity.

Description	Capacity/Allowance expected in plan period (2015/16 – 2029/30)	Phasing
<p>SHLAA 'Potential Sites' Allowance  Sites identified as having potential in the 2013 London SHLAA however due to the probability approach to assessing potential sites, information on individual potential sites is confidential. The release of detailed information on these sites could lead to misunderstanding as to its status and to its misapplication. Therefore the total for all potential sites is shown in the trajectory.</p>	574	<p>Not included in 5 year supply. Phasing based on 2013 London SHLAA phasing assumptions however moved back if sites were within years 1-5 due to uncertainty of sites.</p>
<p>SHLAA Small Sites Allowance (windfall)  The annual small sites allowance identified in the 2013 London SHLAA which is based on historic analysis. These are unidentified sites (any small allocated sites have been removed to avoid the potential for double counting) and therefore are effectively 'windfall' sites.</p>	6,149	<p>Annual allowance of 473 per year starting from 2017/18 to avoid potential double counting from those small sites that already have planning permission. The evidence behind this assumption can be found in the London SHLAA 2013 – See Appendix 7</p>
<p><b>Total 2015/16 to 2029/30</b></p>	<b>27,473</b>	

### Scenario 1 - 5 Year Housing Land Supply

5 year supply (2015/16 – 2019/20): 11,912

5 year Target (managed)<sup>3</sup>: 8,181

Over supply: 3,731 (146%)

12. For further details including a full list of sites and the 5 year land supply calculations see the 2013/14 AMR. Further details about sites in Nine Elms can be found in the Nine Elms Vauxhall Phasing and Investment Study Update.

<sup>3</sup> The managed target takes into account any over/under supply and adjusts the remaining annual target accordingly

### Scenario 1 Trajectory

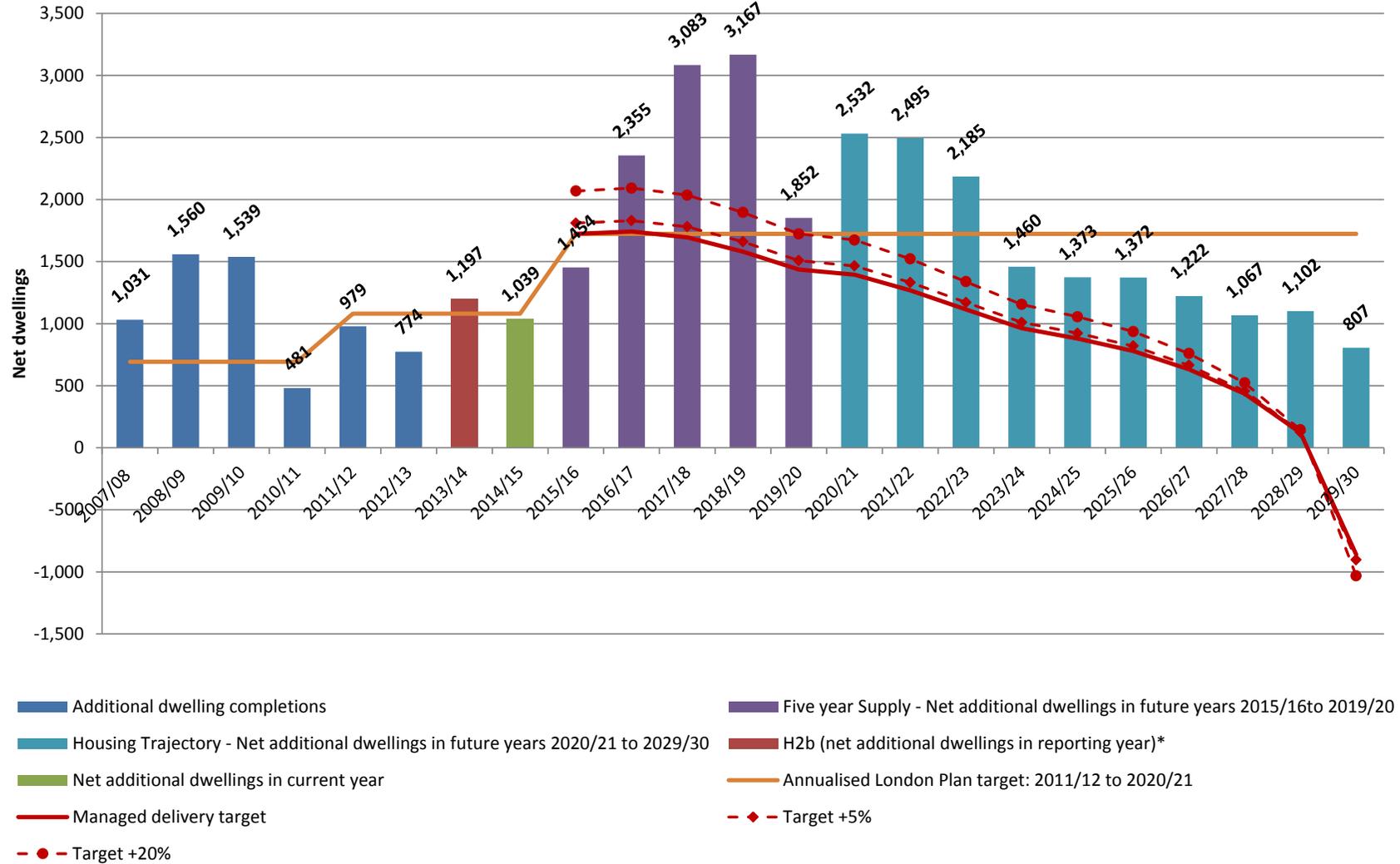


Figure 1 – Scenario 1 Housing Trajectory

## Housing Trajectory 2013/14 Scenario 2 – Delayed Delivery

13. Scenario 2 shows slightly delayed delivery and take a slightly more cautious approach to phasing than scenario 1. This mainly relates to the phasing assumptions in the Nine Elms area which are based on the most delayed scenario from the Nine Elms Vauxhall Phasing and Investment Study Update. The Housing Trajectory in Scenario 2 (delayed delivery) includes the following:

Table 4 - Wandsworth Housing Trajectory 2013/14 Scenario 2 Delivery (2015/16 to 2029/30)

Description	Capacity/Allowance expected in plan period (2015/16 – 2029/30)	Phasing
Sites with planning permission and under construction at 31 <sup>st</sup> March 2014	4,267 <sup>4</sup>	Sites with less than 20 units assumed to be deliverable within 5 years. Sites with 20 or more units sent annual applicant/agent survey and phasing based on responses.
Sites with planning permission not started at 31 <sup>st</sup> March 2014	11,624	Sites with less than 20 units assumed to be deliverable within 5 years. Sites with 20 or more units sent annual applicant/agent survey and phasing based on responses. Where it has not been possible to contact the applicant or agent and no alternative source of phasing is available (i.e. Wandsworth housing department) sites are still assumed deliverable but to take account of potential un-assessed constraints including viability, 1/3 of the capacity has been phased out of the five year supply. Responses or alternative information received for all except 5 sites. Sites within NEV are based on the latest Nine Elms Vauxhall Phasing and Investment Study (scenario 4 – most delayed of all scenarios) which includes a survey of all developers/land owners etc.
Sites pending a decision or at appeal at 31 <sup>st</sup> March 2014	504	Assumed deliverable within trajectory period but not within years 1 to 5.
Sites approved but awaiting S106 agreement	299	As per sites with planning permission.
Identified sites (over 0.25 ha) in NEV	1,863	Based on 2013 Nine Elms Vauxhall Phasing and Investment Study (BNP Paribas) Scenario 4 (most delayed of all scenarios). The study includes a survey of all developers/land owners etc. Capacity based on SHLAA notional capacity.

<sup>4</sup> This is different to scenario 1 as scenario 1 assumes more units currently under construction will be completed in 2013/14 and 2014/15 which are pre-plan period

Description	Capacity/Allowance expected in plan period (2015/16 – 2029/30)	Phasing
Identified sites (over 0.25 ha) outside NEV	1,801	Based on 2013 London SHLAA phasing assumptions. Each site individually assessed as part of SHLAA process and potential constraints applied. Capacity based on SHLAA constrained capacity.
SHLAA 'Potential Sites' Allowance Sites identified as having potential in the 2013 London SHLAA however due to the probability approach to assessing potential sites, information on individual 'potential' sites is confidential. The release of detailed information on these sites could lead to misunderstanding as to its status and to its misapplication. Therefore the total for all potential sites is shown in the trajectory.	574	Not included in 5 year supply. Phasing based on 2013 London SHLAA phasing assumptions however moved back if sites were within years 1-5 due to uncertainty of sites.
SHLAA Small Sites Allowance (windfall) The annual small sites allowance identified in the 2013 London SHLAA which is based on historic analysis. These are unidentified sites (any small allocated sites have been removed to avoid the potential for double counting) and therefore are effectively 'windfall' sites.	5,676	Annual allowance of 473 per year starting from 2018/19 to avoid potential double counting from those small sites that already have planning permission. The evidence behind this assumption can be found in the London SHLAA 2013 – See Appendix 7
<b>Total 2015/16 to 2029/30</b>	<b>26,608</b>	

## Scenario 2 - 5 Year Housing Land Supply

5 year supply (2015/16 – 2019/20): 9,841

5 year Target (managed)<sup>5</sup>: 8,525

Over supply: 1,316 (115%)

<sup>5</sup> The managed target takes into account any over/under supply and adjusts the remaining annual target accordingly

14. For further details including a full list of sites and the 5 year land supply calculations see the 2013/14 AMR. Further details about sites in Nine Elms can be found in the Phasing and Investment Study Update

## Scenario 2 Trajectory

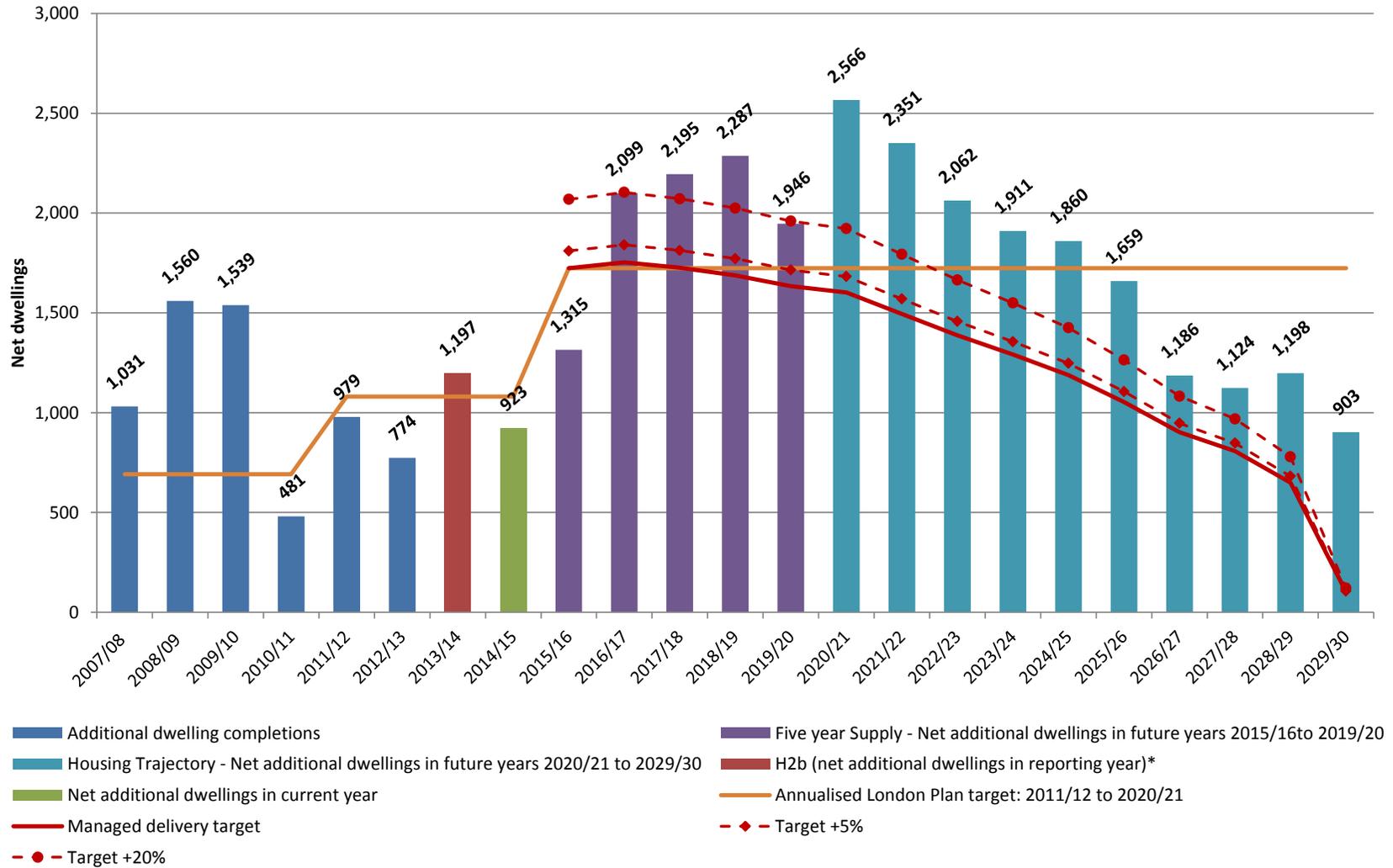


Figure 2 – Scenario 2 Housing Trajectory

## Conclusion

Table 5 – Wandsworth need, target and supply summary table

	Identified need over plan period	Housing Target over plan period	Supply over plan period	Over/under supply (need)	Over/under supply (target)
Trajectory Scenario 1	18,570	25,860	27,473	+8,903	+1,613
Trajectory Scenario 2	18,570	25,860	26,608	+8,038	+748

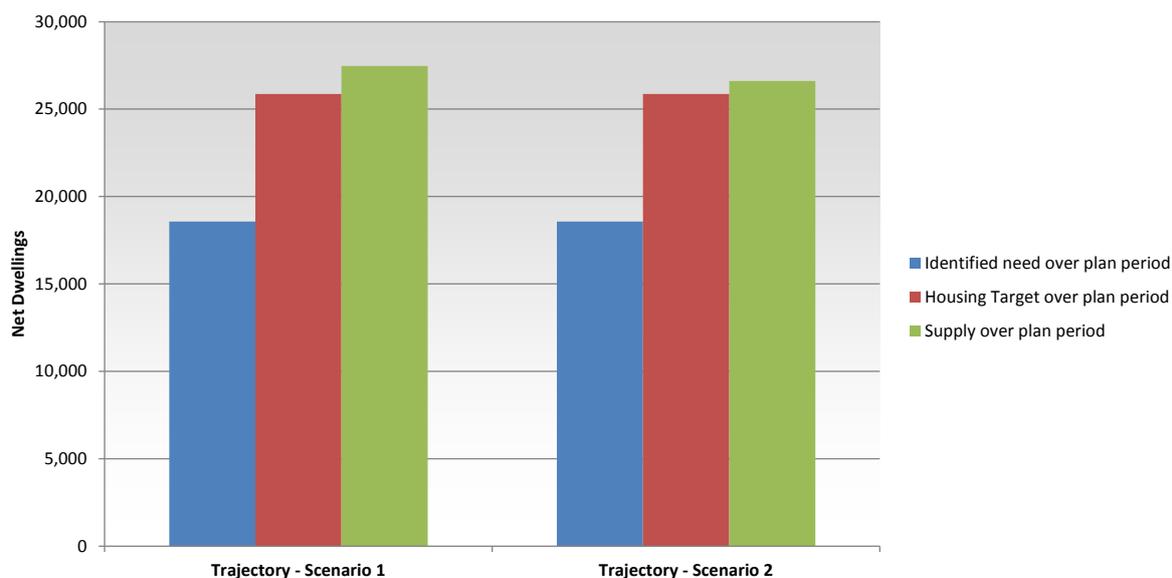


Figure 3 – Wandsworth need, target and supply summary graph

15. As demonstrated in this paper, Wandsworth has a very healthy supply of housing land. This is largely due to the sites in the Nine Elms area, many of which are now under construction. There are currently around 5,000 units under construction and a further 12,000 units with planning permission across the borough (some are due to be completed before the plan period and therefore are not included in the figures above). The remaining sites comprise; allocated sites (over 0.25ha) which were all individually assessed as part of them London SHLAA process in 2013 and/or the 2014 Nine Elms Vauxhall Phasing and Investment Study Update, an allowance for small sites based on robust evidence of past trends and an allowance for 'potential sites' (although these are excluded from the 5 year supply). There is a possibility that some sites within Nine Elms may be able to deliver more housing than is currently estimated in these figures based on the responses of developers to the Phasing and Investment Study work, however these figures have not yet been assessed as deliverable and achievable and therefore have not been included in the housing trajectory at this stage.
16. The housing target set by the FALP represents a 59% increase on the adopted 2011 London Plan target and demonstrates that Wandsworth is significantly boosting its supply of housing land as required by the NPPF. Wandsworth is also expected to exceed its 'objectively assessed need' by some way and will be able to contribute towards the needs of the wider London housing market area.