

LONDON BOROUGH OF WANDSWORTH LOCAL PLAN PARTIAL REVIEW
(WLPPR)

INDEPENDENT EXAMINATION IN PUBLIC

WRITTEN STATEMENT MAIN MATTER 3:

Policy LP24: Housing Mix

TUESDAY 4 NOVEMBER 2025

COUNCIL RESPONSES TO MAIN MATTER 3

Document version: 17/10/2025



Abbreviations

BNPP – BNP Paribas Real Estate

GLA – Greater London Authority

HBP – Housing Background Paper (2025)

HNA – Housing Needs Assessment (2024)

NPPF – National Planning Policy Framework (December 2023)

PPG – Planning Practice Guidance

RICS – Royal Institute of Chartered Surveyors

SOCG – Statement of Common Ground

WLPPR – Wandsworth Local Plan Partial Review

WPVA – Whole Plan Viability Assessment (2024)

Question 3.1 - Are the requirements for Housing Mix set out in Policy LP24 justified by appropriate available evidence, having regard to national guidance, and local context, and is it in ‘general conformity’ with the London Plan?

The requirements for housing mix set out in Policy LP24 are justified by a robust evidence base which includes:

- **SD003** - Sustainability Appraisal (SA) 2025,
- **SD013** - Housing Background Paper (HBP) 2025,
- **SD020** - Housing Needs Assessment (HNA) 2024,
- **SD021** - Local Housing Needs Assessment (LHNA) 2020,
- **SD022** - Whole Plan Viability Assessment (WPVA) 2024 and,
- **SD043** - Addendum to Whole Plan Viability Assessment: Site Testing 2025.

The Council considers it important that its development plan provides a clear indication of how development should respond to local needs with respect to the size of housing. Paragraph 63 of the NPPF (December 2023) requires the size, type and tenure of housing needed for different groups in the community to be assessed and reflected in planning policies.

As set out below, the Council considers that the design of Policy LP24, including the use of indicative ranges for the different sizes of dwellings and the site-by-site flexibility allowed for under Part C and E, takes a balanced approach to managing housing mix in a way that is justified, effective and deliberately not excessively prescriptive. As set out in the Sustainability Appraisal, the absence of a housing mix policy, or preparing one in a completely non-prescriptive way, would forgo a number of positive impacts. These include ensuring that the housing mix delivered in the Borough appropriately responds to local needs and includes suitable provision for affordable tenures. A clearly defined policy also helps support the objectives of the NPPF and the wider development plan.

The Housing Needs Assessment (HNA) 2024 (**SD020**) provides a clear assessment of the Borough's future housing needs from the perspective of demographic modelling (paragraphs 4.84 – 4.93), which has informed Policy LP24. It follows a methodology that accords with Planning Practice Guidance (PPG). The HNA is more up-to date than the previous Local Housing Needs Assessment (LHNA) 2020 (**SD021**), and it provides a local and contemporary understanding of housing need.

In preparing its housing mix policy, the Council has recognised the need to appropriately balance local housing needs with other considerations, including the need to facilitate development and the achievement of the wider objectives of the NPPF and development plan. The Council's approach also recognises the relationship that the mix of new housing can have on the churn of existing housing, including the propensity for existing housing (for example, smaller homes for first

time buyers, or larger homes for families) becoming available in the market. Paragraphs 17.3 and 17.4 of the Housing Background Paper (HBP) 2025 (**SD013**) provide a clear justification for the Borough-level indicative proportions set out in the policy. They explain how these proportions strike a balance between demographically modelled need and other factors, including market considerations. The paragraphs also demonstrate how the approach supports the creation of stable local neighbourhoods and cohesive communities. The overall approach is similar to that taken in the adopted policy, which is similarly weighted alongside other considerations to adjust the mix from that suggested by demographic modelling alone, and which is subject to the same overall development plan objectives.

In relation to market dwellings, the HNA identifies a particularly low level of need for one-bed dwellings (6% of need) and a relatively high level of need for three-bed dwellings (46%). However, the Council recognises that adopting a housing mix policy which directly reflects these proportions is likely to be detrimental to the ability for the wider objectives of the development plan to be realised, particularly the ability for developments to come forward at optimised densities given that a majority of the Borough's housing pipeline is flats, which traditionally deliver a higher proportion of smaller dwellings. The Council also notes that the Borough sees relatively high rates of under-occupation amongst larger dwellings and considers it a reasonable policy judgement to increase the relative delivery of smaller dwellings to create the conditions that would facilitate down-sizing and the release of larger family dwellings. The Council considers that it has developed a market dwelling mix approach that soundly weighs different evidential considerations, and which results in a policy that is justified and effective.

In relation to rented affordable housing, the HNA identifies a fairly balanced need across 1-bed dwellings (20% of need), 2-bed dwellings (36% of need) and 3-bed dwellings (31% of need). The Council has established Borough-level indicative proportions for rented affordable housing which broadly reflect these needs, albeit with a slightly higher proportion of 1-beds allowed for to reflect the optimised density considerations referenced above. In addition, the proportions have consideration to the Council's Housing Waiting List which identifies that 57% of households are seeking 1-bed properties, noting, however, that those seeking 1-bed properties will often not include families or parents with children which typically have greater priority. The Council considers that it has developed a rented affordable mix approach that soundly weighs different evidential considerations, and which results in a policy that is justified and effective.

In relation to intermediate housing, the HNA identifies that a majority of need is for 1-beds (20%) and 2-beds (52%). The Council has established indicative proportions for intermediate housing which broadly reflect these needs, albeit adjusted to reduce the proportion of 3- and 4-bed units. This reflects the income caps set out within

London Plan guidance, which includes a household income cap of £90,000 for Shared Ownership and £67,000 for London Living Rent properties. With these caps in place, 3- and 4-bed intermediate properties would largely be unaffordable to households on incomes below these associated caps in Wandsworth. It is the Council's judgement that requiring a greater proportion of larger sized intermediate housing is unlikely to be a deliverable approach in practice.

The Borough-level indicative ranges are deliberately specified as ranges to provide flexibility and to account for site specifics. It is also emphasised that the policy, at Parts C and E, continues to allow for flexible site-specific considerations which may justify a different housing mix on individual sites on the basis of a range of considerations, including alternative evidence on housing need, local character, affordable housing and viability. Paragraph 17.26 of the supporting text provides additional circumstances where proposals not conforming with the housing mix ranges would be considered.

In relation to the restrictions within the policy on the proportion of studio dwellings, the Council considers this to be justified in light of the particularly low level of need for one-bedroom units identified through the HNA, coupled with the need for new housing to support the creation of stable local neighbourhoods and cohesive communities. The supporting text to both the adopted and proposed versions of Policy LP24 identify that studio dwellings are unlikely to achieve this objective. The HNA at Figure 8 identifies that single person households as a whole are projected to grow by a modest 2,500 by 2038, and that despite this net growth, the number of single person households aged 25-34 years is in fact projected to fall by 3,490. The propensity to occupy studio dwellings is much higher amongst younger households than older households (due partly to the fact it is more likely for a younger household to occupy a studio dwelling as an entry-level property than it is for an older household to downsize to a studio dwelling). Given the modest projected growth in single-person households, the fact that the number of younger single-person households is projected to shrink significantly, and wider policy concerns over the contribution that studio dwellings make to stable local neighbourhoods and cohesive communities, this component of the policy remains as per the version of the policy found to be sound and subsequently adopted in 2023, and the justification for the policy is considered to remain valid.

The Council notes some representations suggested that Policy LP24 should not include indicative ranges and instead leave housing mix to applicants to determine or justify on a case-by-case basis. For the reasons given above, this is not considered to be justified on the basis of the evidential considerations or consistency with the NPPF, which requires policies to reflect the need for different sizes of houses. This is also considered to be unnecessary when accounting for the significant flexibility

allowed for under Part E of the policy. Part C of the policy also allows for applicants to propose an alternative mix if justified by evidence.

The proposed policy was subject to a Sustainability Appraisal (SA) 2025 (**SD003**), which considered several options including making no changes and removing the policy entirely. The preferred option was to amend LP24 to align with the outputs of the HNA whilst balancing needs with other considerations with regard to the most up to date evidence from the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**), HNA and Housing Waiting List to determine a housing mix that is both appropriate and deliverable, whilst retaining flexibility on a case-by-case basis. This is considered to be the most robust policy option, performing very positively against the relevant sustainability objectives.

The Council recognises that the appropriate housing mix for an individual development can be sensitive to the type of housing being proposed, particularly where the housing proposed is more specialist in nature. However, the Council considers that it would not be effective or proportionate to seek to define an appropriate housing mix for a full range of conceivable development types, particularly given more specialist housing developments are relatively uncommon in the Borough. In response to representations, and to ensure the policy can be applied effectively to developments beyond market and affordable housing, the Council has recommended a potential modification (Modification **M24/1**, see Appendix) for the Inspector to consider which would add an additional consideration to Part E of the policy that would recognise that specialist forms of accommodation may have a different housing mix requirement to that set out in Policy LP24. This would create a mechanism through which the Borough-level indicative proportions set out within the policy would be disapplied in favour of an alternative evidenced mix in such a case.

The requirements for housing mix set out in LP24 are in general conformity with the London Plan 2021 (SD025) as Policy H10 Housing Size Mix encourages a range of unit sizes. The policy sets out criteria which should be considered by decision makers when determining the mix of unit sizes. One of these considerations is the support of a robust local evidence of need. The robust nature of this policy's evidence is outlined in detail above. At the time of writing, a Statement of Common Ground (SOCG) with the Greater London Authority (GLA) is being agreed which establishes that both parties are satisfied that the provisions of draft Policy LP24 (Housing Mix) are in general conformity with the London Plan.

Question 3.2 - Are the requirements for Housing Mix set out in Policy LP24 positively prepared ‘in a way that is aspirational but deliverable’?

The requirements for housing mix set out in Policy LP24 were informed by the Housing Needs Assessment (HNA) 2024 (**SD020**), the Sustainability Appraisal (SA) 2025 (**SD003**), Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) and the Addendum to the Whole Plan Viability Assessment: Site Testing 2025 (**SD043**), making them robust, rational, and positively prepared.

The Council considers that Policy LP24 is positively prepared, aspirational and deliverable. It strikes an appropriate balance between meeting the Borough’s housing needs, as established by the HNA and required by the NPPF, and the wider objectives of the NPPF and the development plan. It has sound regard to a range of matters including demographically modelled need, the need to facilitate development, safeguard optimisation of densities and reflect market factors, and the policy objectives to deliver mixed and balanced communities and facilitate downsizing.

A detailed explanation of how the policy soundly balances these matters is set out in Question 3.1 above, and within the Housing Background Paper (HBP) 2025 (**SD013**).

BNP Paribas Real Estate, in preparing the WPVA, applied an approach to viability testing which complied with the relevant parts of the PPG and RICS guidance. It is based on open market values and benchmark land values based on a significant number of comparable factors which are provided in the report. A range of housing mix requirements were tested as part of the WPVA which, when considered across the Council's policy proposals as a whole, suggest a majority of likely site typologies remain viable. The findings of the WPVA are described in detail in the HBP and the Council's Hearing Statements for other Main Matters. In relation to housing mix, the WPVA assessed viability on the basis of the housing mix in the adopted Local Plan, which the emerging policy proposes to vary modestly, and an alternative mix which reflects the demographic need implied by the HNA. The WPVA found that a mix reflecting demographic need resulted in a small increase in the number of typologies viable at 50% affordable housing. The mixes proposed in Policy LP24, being a balance between the two tests, are considered to have a limited impact on viability, and where an impact does occur the indications are that this would be to make the Council's policies more deliverable. The Site Testing which tested six sites in the Borough adopted the housing mix as set out in Policy LP24 and found that most sites were viable at 40% or 45% level of affordable housing. The sites deemed unviable were primarily affected by higher existing Benchmark Land Values.

Overall, Policy LP24 is considered to be aspirational and deliverable, achieving the expectations established in the HBP to create stable local neighbourhoods and cohesive communities.

Question 3.3 - Is the Policy clearly defined and unambiguous so that it is evident how a decision maker should react to development proposals?

Yes, the policy is clearly defined, unambiguous and sets clear parameters for what housing mix is appropriate. The majority of the wording used in the proposed policy is unchanged from the adopted policy which was found to be clearly defined and unambiguous as part of the 2023 Local Plan.

The Council considers it important that its development plan provides a clear indication of how development should respond to local needs with respect to the size and mix of housing. As set out below, the Council considers that the design of Policy LP24, including the use of indicative ranges for each size of house and the site-by-site flexibility allowed for under Parts C and E of the policy, takes a balanced approach to managing housing mix in a way that is justified and effective, and that is deliberately not excessively prescriptive. The supporting text remains largely unchanged and retains paragraph 17.29, which confirms the residential use classes where the policy applies, providing clarity for decision makers on where the policy is applicable.

During the preparation of the adopted policy and the proposed changes, Development Management officers were consulted to ensure the policies can be applied and work in practice. The policy includes sufficient flexibility within Parts C and E allowing a decision maker to appropriately react to development proposals which do not align with the borough-level indicative proportions. Paragraph 17.26 of the supporting text provides additional circumstances where proposals not conforming with the proposed housing mix would be considered.

The Council has recommended a potential modification (Modification **M24/1**, see Appendix) for the Inspector to consider which would add an additional consideration to Part E of the policy that would recognise that specialist forms of accommodation may have a different housing mix requirement to that set out in Policy LP24. This would create a mechanism through which the borough-level indicative proportions set out within the policy would be disapplied in favour of an alternative evidenced mix in such a case.

The Council notes that a representation received at the Regulation 19 stage indicated that Parts C and E of Policy LP24 were unsound on the basis that developments meeting the requirements of the policy should not be required to produce evidence. For the purposes of clarity, the Council would emphasise that any

evidence required under Part C to justify the mix of new market homes to be provided will be proportionate to the nature and scale of development proposed. Where a development proposal falls within the indicative proportions set out in Table 17.1, the Council would not envisage a need for evidence to justify this housing mix. However, where a development proposal falls partly or wholly outside those indicative proportions, the provision of proportionate evidence to justify the proposed housing mix is considered to be justified and effective. Likewise, Part E of the policy allows for flexibility to depart from the borough-level indicative proportions where justified. Part E would not be considered where a development falls within the borough-level indicative proportions. Requiring proposals which do not meet the full requirements of a policy to produce evidence to justify this, is considered a sound principle. Save for the proposed modification above, Parts C and E to the policy are not proposed to change relative to the adopted Wandsworth Local Plan (2023-2038).

Question 3.4 - Is Policy LP24 clear to what type and size of development the policy applies and is that justified by evidence?

Yes, Part A of the policy identifies that Policy LP24 applies to “development proposals creating additional residential units” and Paragraph 17.29 further clarifies that the policy covers Use Classes C3 and C4, save for developments that provide housing for specific community needs.

The policy clearly articulates what the borough-level indicative proportions for market, rented affordable, and intermediate affordable housing are, which are designed to cover a range of affordable housing tenures. These forms of housing are the most common within Use Class C3 and C4 in the Borough. The size of housing is defined by number of bedrooms and clear percentile ranges for each tenure are captured in tables 17.1; 17.2; 17.3. The policy clearly sets out the type and size of development to which it applies to and provides sufficient flexibility at Parts C and E to allow the decision maker the necessary discretion to deviate from the borough-level indicative proportions where justified. Paragraph 17.29 of the supporting text provides additional detail of the type of homes which are considered as part of the policy and which are not.

The Council recognises that the appropriate housing mix for an individual development can be particular to the type of housing being proposed, particularly where the housing proposed is more specialist in nature. However, the Council considers that it would not be effective or proportionate to seek to define an appropriate housing mix for a full range of conceivable development types, particularly given the potential for change in the housing market over the Local Plan period. It is also recognised that within certain housing tenures such as student accommodation or specialist housing types, the requirements for housing can be

specific to the requirements of the Higher Education provider or specialist housing provider. To ensure the policy can be applied effectively to developments beyond market and affordable housing, the Council has recommended a potential modification (Modification **M24/1**, see Appendix) for the Inspector to consider which would add an additional consideration to Part E of the policy that would recognise that specialist forms of accommodation may have a different housing mix requirement to that set out in Policy LP24. This would create a mechanism through which the borough-level indicative proportions set out within the policy would be disapplied in favour of an alternative evidenced mix in such a case.

The policy is drafted in a way as to mirror the adopted Local Plan policy which was found to be sound. The names of affordable housing tenures have been changed to further enhance the clarity of the policy to applicants and decision makers as well as align with the tenures most in need in the borough, as per the Housing Needs Assessment (HNA) 2024 (**SD020**); 'Low-cost rent affordable housing' is proposed to be 'Rented Affordable Housing' and 'Intermediate affordable housing/ First Homes' is proposed to be 'Intermediate Affordable Housing'. This wording allows for greater flexibility to include a range of different affordable housing tenures within the policy such as London Affordable Rent, Discount Market Rent, Intermediate Rent, etc, allowing for a broad spectrum of affordable housing types which can be delivered across different site types to be encompassed within LP24. The Council is confident that this change will only enhance the clarity of the policy and ensure applicants and decision makers have a better understanding of what is required by the policy, whilst providing the tenures which are most affordable to the households in the borough.

The requirements of the policy are sufficiently justified by the HNA, Housing Background Paper (HBP) 2025 (**SD013**) and Whole Plan Viability Assessment (WPVA) 2024 (**SD022**). A detailed justification for the policy approach can be found in the Council's statement under Questions 3.1 and 3.2.

Question 3.5 - What effect would the housing mix set out in Policy LP24 have on the viability and deliverability of development in Wandsworth? Would it materially limit other objectives of the WLPPR or the London Plan, including optimising site capacity through a design led approach?

The evidence base provided in the Examination Library including the Housing Needs Assessment (HNA) 2024 (**SD020**), Housing Background Paper (HBP) 2025 (**SD013**), Whole Plan Viability Assessment (WPVA) 2024 (**SD022**) and Addendum to the Whole Plan Viability Assessment: Site Testing 2024 (**SD043**), demonstrates that the borough-level indicative proportions and the requirements set out in Part B with regards to 1 bedroom dwellings are justified on the basis of the HNA, WPVA and Site Testing, showing the indicative mix is viable and deliverable.

BNP Paribas Real Estate, in preparing the WPVA, applied an approach to viability testing which complied with the relevant parts of the PPG and RICS guidance. It is based on open market values and benchmark land values based on a significant number of comparable factors which are provided in the report. Several housing mix requirements were tested as part of the WPVA which, when considered across the Council's policy proposals as a whole, suggest a majority of likely site typologies remain viable. The findings of the WPVA are described in detail in the HBP and the Council's Hearing Statements for other Main Matters. In relation to housing mix, the WPVA assessed viability on the basis of the adopted housing mix, which the policy proposes to vary modestly, and an alternative mix which reflects the demographic need implied by the HNA. The WPVA found that a mix reflecting demographic need resulted in a small increase in the number of typologies viable at 50% affordable housing. The mixes proposed in Policy LP24, being a balance between the two tests, are considered to have a limited impact on viability, and where an impact does occur the indications are that this would be to make the Council's policies marginally more deliverable. The Site Testing tested six sites in the Borough and applied the housing mix as set out in Policy LP24 concluding that most sites were viable at 40% or 45% level of affordable housing. The sites deemed unviable were primarily affected by higher existing Benchmark Land Values.

Additionally, there is sufficient flexibility within Parts C and E of the policy to allow a decision maker to appropriately react to development proposals which do not align with the borough-level indicative proportions. The Council has recommended a potential modification (Modification **M24/1**, see Appendix) for the Inspector to consider which would add an additional consideration to Part E of the policy that would recognise that specialist forms of accommodation may have a different housing mix requirement to that set out in Policy LP24. This would create a mechanism through which the borough-level indicative proportions set out within the policy would be disapplied in favour of an alternative evidenced mix in such a case.

Part B of the Policy, which establishes that the Council will not support developments of 10 or more units (gross) having more than 5% of all market units as 1 person/ studio units, is informed by the HNA. Although provision of a greater proportion of smaller units in higher density developments would generally have a positive impact on viability, the viability testing, carried out on the basis of the modelled housing mix and adopted housing mix, shows that a large majority of tested sites can support 45% and 50% affordable housing, whilst also delivering larger units to meet need. Consequently, the restrictions on studio dwellings do not place an undue burden on development viability. This element of the policy is focused on market housing, as the highest level of need for affordable homes is generally 2 bed and 3 bed dwellings with a much lower proportion of need for smaller homes, and a high turnover of Social Rented tenants are generally seen in 1 bed 1 person flats which is

undesirable for Registered Providers and the Council. Therefore, this element of the policy aligns with the findings of the HNA and is supported by the viability evidence.

The requirements would not materially limit the other objectives set out in the WLPPR or the London Plan as all policy obligations within the Local Plan have been tested alongside alternative housing mixes which have helped inform the final mix proposed within LP24. The WPVA overall found these new requirements would not materially limit the objectives of the WLPPR or the London Plan.

The policy and its requirements would instruct and inform the design led approach in a way that soundly balances meeting local needs with other considerations, including optimising densities. The policy also provides sufficient flexibility so that development proposals which do not align with the borough-level indicative proportions at Parts A and D, or the requirements of Part B in relation to studio dwellings, will still be considered on a case-by-case basis where justified on the basis of alternative housing needs evidence, character, affordable housing and/or financial viability. For example, evidenced adjustments to the proposed mix could help support marginally viable sites deliver the overall affordable housing requirement. Overall, the construction of the policy gives the decision-maker considerable discretion to apply the housing mix policy as part of the wider planning balance, having due regard to the wider policies and objectives of the development plan.

Question 3.6 - Are the meanings of terms used in Policy LP24 clear and effective? How can these be defined for the purposes of the policy?

Yes, the meanings of the terms used in Policy LP24 are clear and effective.

The policy is drafted in a way as to mirror the adopted Local Plan policy which was found to be sufficiently clear and justified. The names of affordable housing tenures have been changed to further enhance the clarity of the policy. 'Low-cost rent affordable housing' is proposed to be 'Rented Affordable Housing' and 'Intermediate affordable housing / First Homes' is proposed to be 'Intermediate Affordable Housing'. The Council is confident that this change will only enhance the clarity of the policy and ensure applicants and decision makers have a better understanding of what is required by the policy.

Appendix: Table of Proposed Modifications

Details taken from the Schedule of Proposed Modifications suggested by the Council (April 2025) (SD015)

Mod Ref	Policy Ref	Policy or Paragraph Number	Response Reference	Proposed Modification	Reason for Modification
M24/1	LP24 (Housing Mix)	Part E.	George Potter House of Battersea (REP051); VSM (NCGM) Ltd. (REP115)	<i>[New bullet point]</i> <u>5. In the case of specialist forms of housing falling within Use Class C3, the particular need for that form of housing where this is shown to differ to the preferred housing mix.</u>	In response to representations, this modification would allow proposals for specialist accommodation to evidence a housing mix need that differs from the preferred housing mix set out in the policy.