

LONDON BOROUGH OF WANDSWORTH LOCAL PLAN PARTIAL REVIEW
(WLPPR)

INDEPENDENT EXAMINATION IN PUBLIC

WRITTEN STATEMENT MAIN MATTER 6:

Policy LP30: Build to Rent

THURSDAY 6 NOVEMBER 2025

COUNCIL RESPONSES TO MAIN MATTER 6

Document version: 17/10/2025



Abbreviations

BLV – Benchmark Land Value

BtR – Build to Rent

DMR – Discounted Market Rent

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 6.1 - Are the requirements for Build to Rent set out in Policy LP30 justified by appropriate available evidence, having regard to national guidance, and local context, and is it in ‘general conformity’ with the London Plan?

Yes, Policy LP30 is justified by the Council’s evidence base, including the Housing Needs Assessment (HNA) 2024 (**SD020**), the Whole Plan Viability Assessment (WPVA) 2024 (**SD022**), and the Housing Background Paper (HBP) (2025) (**SD013**).

Policy LP30 requires Build to Rent (BtR) developments to meet the detailed criteria set out in Part B to London Plan Policy H11. In addition to these criteria, Policy LP30 sets two further requirements: the first setting out how affordable housing from BtR developments should be provided, and the second setting out how BtR developments should address housing mix.

The policy aligns with Paragraphs 64 and 96 of the NPPF (December 2023) which promote mixed communities and mixed tenure sites to deliver housing alongside affordable housing. Paragraph 64 also sets out an expectation that affordable housing should be provided on-site unless specific circumstances justify an alternative approach. This principle is reflected in Policy LP30, which requires affordable housing to be delivered on-site unless specific criteria are met. Further reference to this point is provided under Question 6.3.

Part A.1 of the policy sets out a clear, sequential approach to meeting affordable housing requirements. The policy prioritises the delivery of a separate core or block to accommodate 70% of the affordable housing requirement as social rent, with the remaining 30% provided at a range of genuinely affordable rents within the BtR development, aligning with the thresholds and tenure requirements of Policy LP23. Where justified, the social rent requirement then cascades to off-site provision or a financial contribution.

Policy LP30 seeks overall alignment with the requirements of Policy LP23, including in relation to thresholds and tenure. This is justified by the extremely high need for affordable housing, particularly social rented, and aligns with the findings and conclusions of the HNA which recommends prioritising the delivery of social rented housing. Further justification for the affordable housing thresholds and tenure requirements on the basis of need is set out in detail in the Council’s Statement for Main Matter 2 and the HBP.

The preference within the policy for the social rent portion of affordable housing to be delivered in a separate core or block strikes a balance between the operational requirements of BtR developments and the extremely high need for affordable housing, particularly for social rented, identified in the HNA. BtR developments are typically subject to singular management arrangements that would make the operation of a Registered Provider within the same core or block challenging. This is a provision that mirrors the 2023 Local Plan and conforms to the London Plan which

states the following at paragraph 4.11.10: “Where justified in a Development Plan, boroughs can require a proportion of affordable housing as low-cost rent (social rent or London Affordable Rent see 4.6.4) on Build to Rent schemes in accordance with Part A of Policy H6 Affordable housing tenure.”

The Council notes that some representations suggest that the affordable housing requirements within the policy do not conform to the London Plan. The Council is clear that Policy LP30 does generally conform to the London Plan, in light of Paragraph 4.11.10, and notes that the Mayor has not raised a matter of general conformity with respect to Policy LP30. At the time of writing, a Statement of Common Ground (SOCG) with the Greater London Authority (GLA) is being agreed which establishes that save for the concerns in terms of the affordable housing threshold (set out in LP23 and referred to within this Policy), and provided a modification is made to draft Policy LP30, which specifies that the remaining 30 per cent of affordable units should be provided as intermediate housing, Policy LP30 would be in general conformity with the London Plan. The proposed modification **M30/1** which satisfies the GLA’s concern, can be found in the Appendix.

The Council notes that some representations have suggested that Policy LP30 should instead allow for the affordable housing requirement from BtR developments to be exclusively, or to cascade the social rent portion to, Discounted Market Rent (DMR), with reference to Annex 2 of the NPPF and the London Plan. The Council does not consider this to be justified. As set out above, the London Plan, whilst referencing the ability for BtR developments to deliver affordable housing as DMR, also facilitates individual Local Plans to seek a proportion of affordable housing as low-cost (social) rent, where justified. Relative to a policy-compliant level of affordable housing from conventional housing, the average discount per unit provided by DMR is typically far less, and as a consequence, DMR is a significantly less affordable tenure. The HNA identifies, at paragraph 3.57, that BtR rents tend to be somewhat more expensive than median rents. At Paragraph 3.59, the HNA further identifies research showing that the average BtR rent is 9.3% more expensive than median rent, which “tends to lead to affordable Build to Rent options being more expensive than Affordable Rent”. It follows that a typical DMR discount from market BtR rents, particularly those which are already higher than other market rents, will not provide affordable housing at rents that meet the needs of the vast majority of households in need, and may in fact offer ‘affordable’ units that are more expensive than median private rents.

The HNA considers a range of affordable products and their relative affordability in local terms. In doing so, the HNA clearly identifies the importance of maximising the delivery of social rented housing as the only tenure that is realistically capable of meeting the largest and most urgent needs. By comparison, a typical DMR rent will remain unaffordable to the majority of the Borough’s residents with affordable

housing needs, particularly those with the most severe need. The Council considers that the policy as worded facilitates affordable housing delivery in a way that better meets identified needs which are predominantly for social rent. The policy facilitates the delivery of social rent in a separate core or block, with the remaining 30 per cent deliverable at a range of genuinely affordable rents. The policy has a clear and effective cascade mechanism, which means developments that cannot accommodate the social rent portion in a separate core or block still have a clear route to permission. This includes ultimately commuting this portion of the affordable housing requirement to a financial contribution. As the Council itself has effective partnerships and its own housebuilding programme, financial contributions towards affordable housing can be effectively translated into delivery. Where the overall requirements cannot be met, the policy allows schemes a clear route to permission through the Viability Tested Route, within which the affordable housing contribution can be optimised based on scheme viability.

It is clear that across London, BtR is becoming an increasingly popular and prevalent form of development, and this point is further expanded on within Question 6.2. When the London Plan was adopted in 2021, the BtR sector was in its infancy, with limited numbers of comparables and evidence to draw upon in relation to viability. Given the Borough's very high level of need for affordable housing, it is vital that all forms of housing support the delivery of the types of affordable housing most needed. The policy provides a clear direction for applicants to provide affordable housing on-site in a separate core or block and is aligned with the requirements of Policy LP23. The requirements within Policy LP30 mean that, as the popularity of BtR grows, BtR developments will make a meaningful and proportionate contribution to meeting the Mayor's strategic affordable housing target of 50% and the Borough's high level of need for social rented housing.

Part A.2 of Policy LP30 seeks an appropriate mix of dwelling sizes to meet local needs in accordance with Policy LP24. The detailed justification for Policy LP24 is set out in the Council's Statement for Main Matter 3. However, the Council recognises that one representation received at Regulation 19 suggested that the dwelling mix for BtR can be particular to the product and that strict alignment with Policy LP24 should not be sought. The Council has recommended a potential modification to Policy LP24 (**M24/1**, see the Appendix to the Council's statement to Main Matter 3) to provide further flexibility in response to this point.

Question 6.2 - Are the requirements for Build to Rent set out in Policy LP30 positively prepared ‘in a way that is aspirational but deliverable’?

Policy LP30 has been positively prepared by the Council, taking into account clear market changes which demonstrate that Build to Rent (BtR) is steadily becoming a more popular form of development as these schemes attract premium rents compared to average median open market rents.

The Council has prepared a Whole Plan Viability Assessment (WPVA) 2024 (**SD022**), which follows a methodology that accords with the Planning Practice Guidance (PPG) and RICS’ best practice. It tests BtR across a wide range of site typologies on the basis of reducing the Gross Development Value (GDV) by 5%, having regard to the fact that the overall GDV of BtR developments is lower compared to open market, but also that profit levels are typically 5% lower than open market housing. The outputs of this testing are included within Appendix 13 of the WPVA.

In relation to the 45% threshold which applies on sites that are not publicly owned or in existing industrial use, the WPVA demonstrates that Policy LP30 is deliverable for a majority of likely BtR developments. The most significant impact on viability is the Existing Use Value of the site which is used to calculate the Benchmark Land Value (BLV). As set out in Section 15 of the Housing Background Paper (HBP) (2025) (**SD013**), the Council has considered the location of the majority of the housing pipeline within the Local Plan. This analysis shows that 92.5% of the housing pipeline is located within sites most similar to BLVs 2-4 with only 7.5% of the Local Plan housing pipeline being located within BLV 1, that is existing office space.

At 45% affordable housing tested in BLVs 2-4 (including retail, industrial and cleared land), 66% of the tests are viable. At 40% affordable housing, there is only a marginal increase in the number of viable tests from 66% to 71%. The Council considers the WPVA to provide clear evidence that the majority of BtR developments, in BLVs where the vast majority of the Local Plan housing pipeline is located, could viably provide 45% affordable housing.

Evidence from a recent Savills report (June 2025) illustrates that due to a lower number of available properties, demand in the privately rented sector is increasing rents and driving investment in the BtR sector: “290,000 properties have been sold by small individual landlords while the Build to Rent market has delivered 130,000 new rental homes”¹. Further analysis in the report shows that “homes are being sold out of the rental market at a much faster rate than they are being bought. Using listings data from a property portal in combination with HM Land Registry sales data, we identified that in 2024, 5.4 homes were sold from landlords to owner occupiers for

¹ [Savills UK | Beyond Buy to Let: Where next for the UK private rented sector](#)

every one home bought by landlords from owner occupiers, a 5:1 ratio. This is a much faster rate than in 2021, where the ratio was around 1:1”². As the number of smaller landlords in the private rented sector decreases, demand for BtR schemes is likely to increase, leading to rising rents over the Local Plan period. This trend is also referenced in the Savills report: “with a lack of supply and elevated demand, the inevitable consequence is high rents that are growing strongly”.

The Council therefore considers that the viability testing demonstrates that the majority of BtR developments could support a 45% affordable housing contribution. Furthermore, as rents steadily increase over the Local Plan period, the proportion of BtR developments, which provide enhanced facilities, services and longer tenancies for stability, that are able to support the 45% contribution is also expected to grow.

For the minority of BtR developments which are unviable at the relevant threshold, Policy LP30 provides a clear cascade mechanism in relation to affordable housing. Ultimately, developments that cannot meet the relevant threshold retain a clear route to permission through the Viability Tested Route. Moreover, the Council’s policies encourage applicants to secure grant to meet the relevant threshold if it cannot be met due to site specific constraints.

As set out in Section 8 of the HBP, there are examples of where the Council has already achieved in excess of 35% affordable housing on-site from a BtR scheme, including a scheme providing 36% affordable housing by habitable rooms and by dwelling, with a tenure split of 30% low-cost rent and 70% intermediate (Ref: 2019/4583), with the affordable homes provided in a separate block. This scheme was approved in 2021 and is now largely built out. This application was approved when the BtR sector was very much in its infancy. This shows it is both feasible and viable for privately owned BtR sites to deliver affordable housing above the 35% threshold, with non-DMR tenures, on-site. This provides further support for the affordable housing requirements within Policy LP30 being deliverable.

Question 6.3 - Is the Policy clearly defined and unambiguous so that it is evident how a decision maker should react to development proposals?

The Council considers that Policy LP30 is in accordance with Paragraph 16 of the NPPF, which requires that they policies are, ‘clearly written and unambiguous’, and are drafted so it is ‘evident how a decision maker should react to development proposals’. Policy LP30 sets out the requirements for decision makers using a clearly defined and unambiguous criteria-based approach in addition to the criteria set out in Part B of London Plan Policy H11.

² [Savills UK | Beyond Buy to Let: Where next for the UK private rented sector](#)

The justification for the policy approach and how it should be applied is clearly set out in the supporting text. The policy defines Build to Rent following the criteria set out in London Plan Policy H11.

Part A.1. of the policy clearly sets out the Council's requirements for affordable housing for Build to Rent schemes, in addition to the requirements of LP23, that will be needed for a development to be considered acceptable. The policy has been prepared to include a sequential list to prioritise the requirement for on-site or off-site delivery of affordable housing where feasible.

The policy allows flexibility of low-cost (social) rent delivery through a separate residential core or block or if not feasible through off-site delivery to meet priority housing needs in the Borough. If these requirements are not met the Council will accept financial contributions or schemes can follow the Viability Tested Route where necessary. These requirements are clearly set out for decision makers, with additional clarification set out in the supporting text.

The Council has proposed a potential modification to the policy in response to a representation from the Mayor of London (**M30/1**, see Appendix). This modification has been proposed to provide further clarity to the policy wording around the remaining 30% of affordable units being provided as intermediate housing. Further to this, the Council does not consider any of the representations received in relation to Policy LP30 specifically relate to ambiguity or a lack of definition.

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
M30/1	LP30 (Build to Rent)	Part A.1.a.	Greater London Authority (REP108)	Where a development has potential to include more than one residential core and/or block, applicants should use this separate core and/or block to provide low cost rented housing to be managed by a registered provider. To follow the Council's Fast Track Route, 70 per cent of the overall affordable housing requirement should be provided as social rented units within this separate core and/or block, with the remaining 30 per cent at a range of genuinely affordable intermediate rents to meet priority housing need in Wandsworth	In response to representations, this modification would make it clearer that the remaining 30 per cent of affordable housing required under Policy LP30 should be available at a range of intermediate rents, in line with the London Plan.