



## Note

# EALING LOCAL PLAN EIP (REG 22) – HEARING STATEMENT

## MATTER 4: HOUSING (REV 010 – 15.05.25)

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### 1 Purpose

- 1.1 This Hearing Statement ('Statement') is provided on behalf of John Lewis Partnership PLC (JLP) ahead of Hearing Session 4 (Housing) of the Ealing Local Plan Regulation 22 Examination in Public (EiP). Our hearing statement responds to EX16 Matters, Issues and Questions (MIQs) issued by the Inspectors on 8<sup>th</sup> April 2025. This Statement should be read alongside our Regulation 19 representations dated 4<sup>th</sup> April 2024.

### 2 Respondent

- 2.1 The respondent, John Lewis Partnership (JLP), is the largest employee-owned business in the UK. In 2022, JLP announced a target to deliver 10,000 new homes as part of its commitment to social value—aiming to help address the UK's housing crisis, raise standards in rental homes, and diversify its long-term income streams.
- 2.2 JLP is progressing a mixed-use development at its Waitrose store site in West Ealing, within the London Borough of Ealing (LBE).
- 2.3 A planning application was submitted to LBE on 4 August 2023 (Ref: 202231FUL) for the demolition of the existing Waitrose store and its replacement with a new store alongside 428 new Build to Rent (BtR) homes, including 83 much-needed affordable homes (20% by habitable room), all provided as Discount Market Rent (DMR).
- 2.4 The application was subject to an appeal for non-determination (Ref: APP/5270/W/24/3347877). As of the date of this Statement, no decision had been issued. Importantly, it was common ground between LBE and the Appellant (JLP) that:
- i) The scheme could not viably support any affordable housing, and therefore the commitment to 20% was in excess of the maximum viable provision; and
  - ii) The proposed tenure (entirely DMR) was appropriate, consistent with the National Planning Policy Framework (NPPF), the Planning Practice Guidance (PPG), and the London Plan. This was not a matter of dispute during the Inquiry hearing.



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### 3 Policy Context

3.1 The NPPF sets out how local plans and spatial development strategies are to be examined to assess whether they are ‘sound’. Specifically, it requires plans to be ‘**positively prepared**’ (to meet objectively assessed needs), ‘**justified**’ (based on proportionate evidence), ‘**effective**’ (deliverable over the plan period) and ‘**consistent with national policy**’ (NPPF Paragraph 36).

3.2 The PPG provides further guidance on how Local Authorities should positively prepare plans which seek to meet objectively assessed housing need and use financial viability evidence to ensure policy requirements strike an appropriate balance with the potential effects on scheme viability.

3.3 More specifically, in respect of viability, the PPG confirms in setting local policy an authority must use a viability assessment to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan. Specifically, it states:

*“The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan”. (PPG Paragraph: 002 Reference ID: 10-002-20190509).*

3.4 The NPPF and PPG also provides further guidance on how Local Authorities should positively prepare plans to support BtR development. This followed extensive engagement with the BtR industry and reflects the fact that BtR housing provides a range of distinct benefits including faster more certain delivery, higher densities, improved flexibility, enhanced affordability (and fully tenure blind) and improved quality. It also supports long term investment in places and economic growth.

3.5 Specifically, the PPG confirms:

*“As part of their plan making process, local planning authorities should use a local housing need assessment to take into account the need for a range of housing types and tenures in their area including provisions for those who wish to rent. [...] If a need is identified, authorities should include a plan policy setting out their approach to promoting and accommodating build to rent”. (PPG Paragraph: 001 Reference ID: 60-001-20180913)*



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- 3.6 In respect of the approach to affordable housing in BtR, Annex 2 of the NPPF (Dec 2023) confirms that DMR (referred to as 'Affordable Private Rent' here) is expected to be the normal form of affordable housing provision. Specifically, it states:

*Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

- 3.7 The PPG expands on the NPPF. Specifically it confirms:

*"The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord. 20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan". (PPG Paragraph: 002 Reference ID: 60-002-20180913).*

*"It is expected that developers will usually meet their affordable housing requirement by providing affordable private rent homes. However, if agreement is reached between a developer and a local authority, this requirement can be met by other routes, such as a commuted payment and/or other forms of affordable housing as defined in the National Planning Policy Framework glossary". (PPG Paragraph: 004 Reference ID: 60-004-20180913).*

- 3.8 Policy H11 of the London Plan (Build-to-Rent) confirms, consistent with national policy, that the affordable housing provided in BtR schemes can be solely DMR.
- 3.9 Whilst it is appreciated that this EiP is taking place, amongst other things, against the prevailing London Plan, we do consider it prudent to also note that the consultation document "Towards a new London Plan" released by the GLA in May 2025 notes at paragraph 2.15 (page 32) that "more diversity is needed in the [Housing] market" and that "Build to Rent mainly provides housing that addresses intermediate housing need". In order to broaden the scope of build to rent delivery in London, the GLA via the "Towards a new London Plan" document is welcoming



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evidence and experience from the BtR sector on ways to support its delivery suggesting it will be guided by that wealth of experience and focus on delivery to help the sector grow in its ability to meet immediate housing need.

### 4 Housing Context

- 4.1 Housing delivery at the national, London-wide, and borough level within London Borough of Ealing (LBE) has consistently failed to meet objectively assessed needs.
- 4.2 In 2024, England recorded the lowest number of new homes built in a twelve-month period since 2017, marking the fourth consecutive year of declining completions. The Deputy Prime Minister and Secretary of State for Housing has described the situation as “*the most acute housing crisis in living memory*.” In London, the situation is particularly severe: the capital delivered only 33,089 net additional homes in 2023/24 (against a capacity limited target of 52,287) , the lowest figure since 2014/15 (GLA Data Hub, 2025). In December 2024, the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that LBE failed the Housing Delivery Test (HDT), delivering only 84% of its housing requirement (after adjustments for pandemic disruption).
- 4.3 It is widely acknowledged that the main cause of the decrease in delivery has been financial viability constraints, due to a variety of factors including increased build and finance costs, and weakening of the Registered Provider (RP) sector. In respect of the later, the lack of RP's who are in a position to acquire new affordable homes has left schemes with S106 obligations requiring the delivery of Social Rented tenure homes (which can legally only be operated by RP's) undeliverable; this is because there is usually a negative restriction in the relevant section 106 agreement which prevents a certain amount of development taking place or being occupied unless and until the affordable housing has been transferred to an RP and/or is ready for occupation. In essence, the lack of RPs now in a position to viably take on such affordable units has left parts of planning permissions all over London (and elsewhere in England) sterilised.
- 4.4 The GLA reported that there were over 6,000 homes were under construction but were stalled at the time of reporting in London. This figure included some of the London Borough of Ealing's own development schemes, as publicised on the Council's website.



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- 4.5 The Government has sought to respond positively with actions such as the new homes accelerator programme, RP clearing service and revisions to the NPPF which increase housing targets. The Greater London Authority (GLA) has also issued new Practice Note 'Accelerating Housing Delivery Planning and Housing', dated December 2024, which acknowledges the challenges and advocates a more flexible approach to the requirements for affordable housing in both emerging policy and decision making in order to unlock the severe lack of delivery and ease the financial viability pressures which mount, disproportionately, on those seeking to deliver housing.
- 4.6 Notwithstanding these positive actions, recent housing data published by Molior in April 2025 evidences that London's housing starts have continued to fall sharply and are now at their lowest levels for over a decade. In respect of the LBE, the Molior Database shows not a single new home (zero) started on site within the London Borough of Ealing in the first quarter of 2025. If this trajectory is maintained for the remainder of the year, LBE's housing delivery results would of course sharply fall below what was recorded as just 84% in December 2024 (and therefore currently puts LBE in the 20% buffer category); if they fall below 75% (which is looking likely on current statistics), the presumption in favour of development (paragraph 11 NPPF, otherwise known as the "titled balance") would automatically be engaged on most speculative applications coming forwarding within LBE
- 4.7 The Molior data further indicates that the majority of the few homes still being delivered in London are Build to Rent (BtR) or other purpose-built rental schemes, which are not reliant on the RP sector. Consequently, any new policy that undermines BtR delivery (and especially if that said policy creates an inconsistency with London Plan requirements on BtR which negatively impacts the sector) risks exacerbating the housing crisis in LBE, where housing land supply currently stands at just 3.9 years—well below the five-year requirement and whilst supply may have been stated to be at that quantum, if housing delivery continues in LBE at the prevailing rate indicated by Molior, the official supply of 3.9 years would, in fact, turn out to be massively overinflated when balanced against the realistic delivery rate.

## 5 Representations

### Part 1 - Housing General



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5.1 The respondent strongly supports the Council's strategic objective to deliver a greater number of much-needed new homes. However, we have significant concerns regarding the soundness of the draft plan in two key areas:

1. **Overall Housing Targets:** The drafting of the plan has failed to consider the alternative of seeking to exceed the minimum targets set out in the current London Plan despite national and regional guidance explicitly encouraging local authorities to do so (noting the minimum target does not meet objectively assessed need in full). Notwithstanding this, the draft Local Plan fails to plan for sufficient homes to meet even the minimum requirements of the London Plan, once the substantial backlog in housing delivery since 2017(3,109 as confirmed in EB73) is taken into account. As such, the plan cannot be considered positively prepared as required by Paragraph 35(a) of the NPPF.
2. **Specific Housing Needs:** The draft Plan fails to adequately differentiate between the housing needs of specific groups, including private renters and those reliant on affordable rental housing, as required by Paragraph 63 of the NPPF. This omission renders the Plan inconsistent with national policy, as it does not demonstrate how the full range of local housing needs will be met, including tenure-specific requirements such as Build to Rent and Discount Market Rent homes.

5.2 The respondent's answers to the specific questions raised by the EiP Inspector in EX16 (Housing Matters) are set out in Table 1 below.

Table 1 – Inspector Question Responses (Housing Generally)

No.	Inspector Question	JLP Commentary
1.	Does the Plan accurately and clearly set out a housing target that reflects the ten-year targets for net housing completions referred to a Policy H1(A) of the London Plan? Is the approach to setting the housing target after 2028/29 justified?	<ul style="list-style-type: none"><li>• The Draft Local Plan does not consider the alternative of exceeding the current London Plan target, despite this being a minimum target that does not fully meet objectively assessed need (OAN) and which boroughs are encouraged to exceed.</li><li>• While the Plan is being examined under a previous version of the NPPF (Dec 2023), it should be noted that the London Plan housing target is based on assessments of need and capacity that are over 8 years old. Since then, London's OAN has increased to 88,000 homes per year, and the list of capacity-limiting constraints has narrowed under the revised NPPF (2025). The Mayor issued his 'Towards London Plan' consultation document on 9th May 2025 which indicates that the new plan will be adopted by 2027. The Mayor has confirmed that the strategic target of c.88,000dpa will be</li></ul>



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		<p>adopted as the basis for need. For Ealing, the standard method is 3,407dpa, significantly above the London Plan figure.</p> <ul style="list-style-type: none"> <li>Notwithstanding this, the London Plan (LP) 10-year housing target for Ealing has not been clearly set out within the Draft Local Plan. Furthermore, the London Plan target applies to the period 2017/18 to 2027/28. Therefore, any housing delivery shortfall since 2017 must be included in the borough's target to 2028/29 and clearly set out in the plan. Failure to do so results in the Plan being not positively prepared. Finally, EB73 demonstrates a five-year supply of 13,016 homes equating to only 78% of the minimum target. Paragraph 69 of the NPPF (2023) expects planning policies to identify a sufficient supply and mix of sites.</li> <li>Further comments in respect of the draft Local Plan housing allocations and trajectory in the context of LBE's Housing Delivery Test (HDT) and 5 Year Housing Land Supply positions are addressed elsewhere within the response prepared on behalf of JLP by Savills. It is noted that Savills conclude, should the Plan be considered sound, a partial/ early review should be directed by PINS.</li> <li><b>In summary, the approach to setting the overall housing target has not been justified and is not clearly set out in the plan. A detailed review of housing capacity is necessary to determine whether a higher housing target can be accommodated within the borough (with a 5-year supply of deliverable sites). The housing target, including shortfalls, should be made clear within the plan itself.</b></li> </ul>
2.	When read in conjunction with the wider development plan, is the submitted Plan clear about where residential development in the Borough will be supported in principle, including small sites?	n/a
3.	Is the spatial distribution of housing development across the Borough justified and informed by the IIA?	n/a
4.	Paying regard to paragraph 63 of the NPPF, is the size, type and tenure of housing needed for different groups in the community assessed and	<ul style="list-style-type: none"> <li>The Draft Local Plan does not clearly set out how the size, type, and tenure of housing needed by different community groups has been assessed or is being addressed in policy, rendering it inconsistent with Paragraph 63 of the NPPF.</li> <li>In particular, the Plan does not recognise that the needs of renters differ from those of homeowners, as required by the</li> </ul>





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reflected in the planning policies?	<p>PPG. Paragraph 4.13 of the GLA's Affordable Housing and Viability SPG (2017) acknowledges that the highest demand for BtR housing is for 1- and 2-bedroom properties. This is supported by data from the English Housing Survey, which identifies that the most common renters are aged 25 to 34 and that single-person households are the most prevalent housing type in the rental sector.</p> <ul style="list-style-type: none"><li>• <b>In summary, the size, type and tenure of housing needed for different groups in the community is not clearly set out in the Plan. A more detailed assessment of housing need is required, specifically to understand the scale of need for rental housing in the borough and how the delivery of BtR housing can address this need. Specifically, the draft Local Plan should confirm smaller mix of unit sizes (predominantly one- and two-bedroom properties) would be more effective at meeting needs in BtR developments.</b></li></ul>
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### 5.3 Our suggested recommendations under this Part for the Inspectors' consideration are:

- A detailed review of housing capacity is necessary to determine whether a higher housing target can be accommodated within the borough (with a 5-year supply of deliverable sites). The housing target, including shortfalls, should be made clear within the plan itself.
- A more detailed assessment of housing need is required, specifically to understand the scale of need for rental housing in the borough and how the delivery of BtR housing can address this need. Specifically, the draft Local Plan should confirm smaller mix of unit sizes (predominantly one- and two-bedroom properties) would be more effective at meeting needs in BtR developments.

## Part 2 - Affordable Housing

5.4 The respondent strongly supports the Council's strategic objective to increase the delivery of affordable housing. However, we have serious concerns regarding the proposed policy approach, which we believe renders the Plan unsound in its current form for the following reasons:

1. **Affordable Housing Threshold & Evidence Base:** The proposed blanket application of a 40% affordable housing threshold has not been justified by a robust, up-to-date viability evidence base, as required by national policy and guidance. As a result, the policy fails to strike an appropriate balance between ambition and deliverability,





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undermining the Local Plan's objectives to deliver a sustainable supply of homes and meet objectively assessed housing needs. This renders the draft Local Plan ineffective and undeliverable as defined by Paragraph 35 of the NPPF. Furthermore, the proposed 40% threshold is inconsistent with the London Plan, which applies a 35% threshold for most developments, and conflicts with the GLA's Practice Guidance (Dec 2024), which introduces greater flexibility—including a 20% affordable housing benchmark for some sites. Therefore, the approach fails to support London Plan Policies CG4 and H4, and does not align with regional or national direction.

2. **Build-to-Rent Requirements:** The draft Local Plan's requirement for the affordable housing to include 70% Social Rent tenure within Build to Rent (BtR) developments (instead of Discounted Market Rent or 'DMR') is not supported by appropriate evidence and is inconsistent with national and regional policy frameworks. Specifically, this approach conflicts with: Policy H11 of the London Plan, which recognises DMR as the appropriate form of affordable housing in BtR schemes; and Annex 2 of the NPPF, which states that Affordable Private Rent (DMR) is expected to be the default affordable tenure within BtR developments. Requiring Social Rent provision in BtR developments is likely to render such schemes unviable, particularly where delivery is not feasible due to the lack of Registered Providers able to operate such tenure. This would directly undermine housing delivery and render the Plan ineffective and inconsistent with London and national policy.

5.5 Responses to the specific questions set out by the EiP Inspector in relation to Affordable Housing (as set out in EX16) are provided in Table 2 below Responses to the specific questions set out by the EiP Inspector in relation to Affordable Housing (as set out in EX16) are provided in Table 2 below.

Table 2 – Inspector Question Responses (Affordable Housing)

No.	Inspector Question	JLP Commentary
5a	What is the background to the policy and the evidence justifying it, including specific detailed thresholds?	<ul style="list-style-type: none"><li>• The evidence prepared by BNP Paribas Real Estate (BNPPRE) in the Local Plan Viability Assessment, dated December 2023 (EB120) is now out of date and insufficient to determine the potential effects on the viability of development at the time of the hearing for the following reasons.<ul style="list-style-type: none"><li>○ <b>Reason 1:</b> Economic and market conditions have changed considerably (deteriorated) in recent years meaning the financial inputs and assumptions adopted by BNPPRE are not considered to be realistic in the current</li></ul></li></ul>



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		<p>market and are not supported by proportionate evidence. In particular it is noted that:</p> <ul style="list-style-type: none"><li>▪ <b>Private Sale/ BtR Revenues:</b> These values are now out of date and overstated due wider economic uncertainty and reduced international demand. For example, investment yields have moved out considerably, as a result of stubbornly high interest rates, significantly reducing capital values of BtR investments.</li><li>▪ <b>Affordable Housing Values, Cashflow and Risk:</b> Due to challenges facing the RP sector values have reduced, payments are limited to after scheme completion and there is an increased risk that no sale would be achieved.</li><li>▪ <b>Construction Costs:</b> The build costs tested in the study for large residential schemes (£2,745 SQM) are significantly below that being achieved (£3,500 SQM+). Costs have increased considerably in recent years due to sustained inflation in the cost of material, energy and labour in addition to changes in building regulations. The scale of these increases are not being fully reflected in the BCIS database due to its small sample size and lack of up-to-date data. It is for these exact reasons BNPPRE themselves no longer rely on the BCIS database for the assessment of application stage viability.</li><li>▪ <b>Finance Costs:</b> have increased in line with interest rates and increased risk in the sector evidence through higher levels of insolvencies. Pre-interest rate growth (starting in 2022) when the base rate was 0.1%, development finance was typically agreed at 6%, equating to a margin in the region of 5-6%. The Base Rate is expected to stabilise around 3-3.5% in the mid to long term supporting finance rate of 8-9.5%+.</li><li>▪ <b>Construction Programmes:</b> have increased considerably due to delays in obtaining Gateway approvals from the Building Safety Regulator (BSR);</li><li>▪ <b>Building Safety Levy:</b> No allowance has been included for the recently introduced Building Safety Levy (which will apply over the plan</li></ul>
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		<p>period). The levy is set at £33.24/sqm for Previously Developed Land in Ealing.</p> <ul style="list-style-type: none"><li>▪ <b>Other Costs Allowances:</b> Many of the other costs allowances made are considered to be at the extremely optimistic end of the potential range. For example, marketing and agent fees have been adopted at 2.5%. These costs are typically in excess of 3.5-4% for private sale schemes and have increased recently due to weakening of market conditions.</li></ul> <ul style="list-style-type: none"><li>○ <b>Reason 2:</b> Insufficient scenarios and typologies have been tested. In respect of residential schemes, the study only tests a single large-scale typology in excess of 300 homes (Ref: No.19 at 500 homes). Furthermore, the testing which has been conducted in respect of BtR schemes assumes the affordable housing would be provided as 100% DMR intermediate tenure at London Living Rent levels (not the 70% Social Rent 30% Intermediate policy requirement included in the Draft Policy HOU).</li><li>○ <b>Reason 3:</b> No allowance for enabling/ abnormals costs have been included within the BNPPRE study. This fails to recognise the complex nature of brownfield land in London. For example, the respondent's site requires the demolition and reprovision of a supermarket within a podium to facilitate delivery of housing. If the impact of abnormals had been tested it would be clear that an alternative policy approach for these sites is necessary and justified.</li><li>○ <b>Reason 4:</b> The inputs and outputs of the viability study have not been verified against the recent findings of local planning application stage viability assessments and/or any actual case study schemes informed by more detailed up to date assessment of design efficiencies, construction costs and achievable values. For example, it was common ground with the Council at the Waitrose Appeal that the scheme could not viably support any affordable housing due to viability constraints. The Council was advised by the VOA District Valuer Service (DVS) who demonstrated a clear understanding of the very significant challenges being faced by the scheme which had not been reflected in the BNPPRE Local Plan Study. If the viability had been tested with the requirement for BtR schemes to provide 70% Social Rent (as per Draft Policy HOU) the position</li></ul>
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		<p>would have been considerably worse and the scheme rendered undeliverable.</p> <ul style="list-style-type: none"><li>○ <b>Reason 5:</b> The results of the viability assessment do not appear to have been sense checked against market indicators. For example, it has been widely reported that as a result of viability constraints housing delivery is at unprecedented lows in London. The results of the BNPPRE study indicate many forms of development should be viable with 40% affordable housing is clearly out of kilter with actual market conditions. This further suggests the inputs and methodology used in the BNPPRE study need to be carefully reviewed.</li><li>• Since preparation of the BNPPRE study and Draft Local Plan the GLA has issued new Practice Note (Dec 2024) which, in light of market challenges and reduced delivery, requires that thresholds set within individual local plans do not exceed 35%. It also advocates a more flexible approach to some schemes which can deliver a lower threshold of 20%. The BNPPRE study should be updated to reflect the content of this guidance. We would like to draw the Inspector's attention, in particular to paragraphs 3.5 to 3.8 of the December 2024 GLA Practice Note, which states that the approach (by approach it means where local planning boroughs seek to adopt a fast track threshold <b>greater than</b> that required by the London Plan) <i>"risks the successful implementation of the London Plan threshold approach which is a matter of strategic concern for the Mayor. This has been raised by the GLA and will continue to be raised as an issue of general conformity with the London Plan at local plan consultations and inquiries"</i>.</li><li>• <b>In summary, the viability study underpinning the Local Plan should be reviewed in detail to ensure that: i) the inputs are robust and up-to-date; ii) the results are verified against recent application assessments and current applications and market indicators.</b></li></ul>
5b	How does the policy support the delivery of the strategic target of 50 per cent of all new homes being genuinely affordable in Policies CG4 and H4 of the London Plan?	<ul style="list-style-type: none"><li>• The fast-track route introduced via the London Plan is supposed to incentivise developers to take a long-term view of development viability encouraging many schemes to make a fast-track compliant affordable housing offer (35% by habitable room) in excess of that supported by present day viability.</li><li>• Notwithstanding its shortcomings, the results of the BNPPRE viability study appear to show that many schemes would not be viable with more than c.10-25% affordable housing on brownfield sites. It is not therefore clear how the results of the BNRRE study have been analysed alongside the cumulative requirements of the plan and translated into the 40% threshold proposed. It is noted</li></ul>



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		<p>that the study appears to rely on the application of value growth which the inspector for the recently approved appeal at the Stag Brewery in Richmond (Ref APP/L5810/W/24/3339060) concluded was far too uncertain to be relied upon.</p> <ul style="list-style-type: none"><li>• While there is understood to be flexibility in policy HOU for a lesser amount of affordable housing to be provided (where supported by an application stage viability assessment), setting a target of 40% will set unrealistic expectations on what should be viable. This will in turn make it difficult for schemes to obtain local planning consent (due to delivery below this level being perceived negatively, notwithstanding any actual policy compliance on viability grounds).</li><li>• The introduction of a higher (than London Plan) 40% threshold may also inhibit some sites from coming forward where their funders are unable to accept a late-stage viability review mechanism (required below this level).</li><li>• These issues will defer future investment in the borough reducing overall affordable housing delivery contrary to the objectives of Policies CG4 and H4 of the London Plan.</li><li>• The Council's latest AMR (interim report October 2021) for the period 2014/15-2018/19 (Table 2.15) found <i>total affordable housing provision in terms of permissions has averaged just under 20% of the total conventional supply of homes</i>. This suggests even the current 35% threshold has been set too high to incentivise maximising affordable housing provision in Ealing.</li><li>• <b>In summary, the fast-track threshold should not be increased above the London Plan (35% threshold). Consideration should also be given to whether a lower 20% target would be more effective, particularly for BtR schemes (in line with the national target contained in the PPG) and/or schemes with significant upfront enabling costs.</b></li></ul>
5c	<p>Is the interaction with Policy H5 of the London Plan clear in terms of setting out the instances where an affordable housing contribution will be sought? Paying regard to Policy H5(B)(2) and (3) is modification needed to clarify the position in relation to public sector and industrial land?</p>	<ul style="list-style-type: none"><li>• Policy HOU should also be explicit that where the threshold cannot be met there is flexibility for schemes to progress down the viability tested route at a lower level and, where the proposals are evidenced to be the maximum viable, they would be fully policy compliant.</li><li>• <b>In summary, the interaction between Policy HOU and the interaction with Policy H5 of the London Plan is not clear. The wording should be updated to confirm there is flexibility for schemes to progress down the viability tested route.</b></li></ul>



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5d	Are the identified needs in Ealing referred to in HOU(A) clear? If identified needs are set out elsewhere in the evidence base and in guidance, should they be repeating in the Plan for effectiveness?	n/a
5e	Does HOU(B) repeat the requirement in HOU(A) and, if so, why is HOU(B) necessary?	n/a
5f	Are the expectations in terms of mix and tenure clear? Is the interaction with Policies H6 and H10 of the London Plan clear?	n/a
5g	Are the requirements in HOU(C), including any variance to Policy H5(B)(1) of the London Plan, justified? Has the deliverability of adopting the thresholds been appropriately considered, including the applicability of the requirements to Build to Rent developments?	<ul style="list-style-type: none"> <li>• The requirement for 40% Affordable Housing to trigger the fast-track approach has not been justified (see Answer at Question 5a).</li> <li>• The requirement to deliver a tenure split of 70% social rent and 30% intermediate in BtR has also not been appropriately considered and/or justified. The BNPPRE viability study incorrectly tests affordable housing provided as 100% intermediate tenure. Specifically, no consideration has been given to the need to allow for flexibility to reflect site and scheme specific circumstances along with the realities of the RP market currently. It cannot be right that an inflexible policy on affordable tenure could itself prevent overall housing delivery as there is no willing RP to take units.</li> <li>• Both national policy (NPPF Annex 2) and Policy H11 of the London Plan are clear that the affordable housing offer in BtR can be solely Discounted Market Rent (DMR) (referred to in Annex 2 of the NPPF as 'Affordable Private Rent'). The reasons supporting this approach are: <ul style="list-style-type: none"> <li>○ <b>Reason 1:</b> BtR is a long-term investment which has very distinct economics and management requirements compared to conventional for sale schemes. Conventional Social Rent housing is required by law to be managed by a Registered Provider of Affordable Housing (due to factors including the specialist needs of more vulnerable households and the implications of right to buy legislation). It is not therefore practically feasible to deliver conventional Social Rent within BtR where:</li> </ul> </li> </ul>



## Note continued

		<ul style="list-style-type: none"><li>i) <b>Management:</b> operational and service charge arrangements cannot be appropriately separated for a Registered Provider (i.e. entirely separate buildings/ services);</li><li>ii) <b>Efficiency:</b> the impact of separating management and service charge arrangements would negatively impact on the efficiency and viability of the scheme (i.e. via additional stair cores).</li><li>iii) <b>Investment:</b> the resulting number of BtR homes would be insufficient in scale for effective management and investment by BtR investors; or</li></ul> <ul style="list-style-type: none"><li>o <b>Reason 2</b> - Providing DMR within BtR provides a range of benefits including:<ul style="list-style-type: none"><li>▪ <b>Enhanced levels of equality and social cohesion:</b> achieved through pepper potting and faster delivery.</li><li>▪ <b>Improved deliverability:</b> enhanced by avoiding reliance on Registered Providers. Reduced demand from RP's has been one of the biggest challenges for housing delivery in London over the past 18-24 months.</li><li>▪ <b>Unmet housing need:</b> There is also a significant un-met need for DMR housing for the increasing numbers of households who cannot afford to buy or rent privately but would not be eligible for social rented homes. These squeezed middle households include single person households and key workers.</li></ul></li></ul> <ul style="list-style-type: none"><li>• It is submitted that the default tenure split should be 100% DMR (provided as 30% London Living Rent and 70% at other genuinely affordable levels) in accordance with the NPPF/ PPG and Policy H11 of the London Plan.</li><li>• There could however be some flexibility in the policy wording for an alternative tenure mix to be applied where 'agreement is reached between a developer and a local authority' as per Paragraph: 004 Reference ID: 60-004-20180913 of the PPG and also reflective of the GLA's Practice Note December 2024 on Accelerating Housing Delivery.</li><li>• <b>In summary, the requirements in HOU(C) have not been justified. The draft Local Plan should be amended to confirm the default tenure split should be 100% DMR (including 30%</b></li></ul>
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## Note continued

		at LLR equivalent rents and 70% at other rents, no more than 80% of market rent) unless an alternative approach is otherwise agreed mutually between the applicant and the Council.
5h	<p>How does the evidence demonstrate that the 40% threshold will be effective in maximising affordable housing provision in Ealing?</p> <p>What is the Council's response to the GLA's representation setting out their view on the differences in provision between schemes following the fast-track route versus viability tested schemes?</p>	<ul style="list-style-type: none"><li>• The evidence prepared by BNP Paribas Real Estate (BNPPRE) dated December 2023 is considered to be insufficient to determine the potential effects on the viability (see Answer at Question 5a).</li><li>• The introduction of an unrealistically high threshold will deter future investment in the borough reducing overall affordable housing delivery (see Answer at Question 5b).</li><li>• <b>In summary, the evidence base published to support the draft Local Plan fails to demonstrate how the 40% threshold will be effective in maximising affordable housing provision in Ealing. A new more robust evidence base should be prepared.</b></li></ul>
5i	<p>In light of the stipulation in HOU(D) that provision should normally be made on site, is the Plan sufficiently clear on what would happen if a case was successfully made for off-site provision?</p>	n/a
5j	<p>Are the requirements in HOU(E) in relation in relation to large scale purpose built shared living developments justified)? Is a contribution in the form of conventional housing units on site deliverable in practice?</p>	n/a
5k	<p>Are the requirements in HOU(F) in relation to purpose-built student accommodation (PBSA) including any variance to Policy H15(4) of the London Plan justified? Has the deliverability of adopting the</p>	n/a



## Note continued

	threshold been appropriately considered?	
5l	Are the first two paragraphs of 5.22 detailing how applications for PBSA will be treated reflected in policy? If not, is modification needed to remove the text for clarity?	n/a
5m	Is the policy in general conformity with the London Plan?	<p>The Policy is not in conformity with the London Plan for the following reasons.</p> <ul style="list-style-type: none"><li>• The 40% threshold for private land is inconsistent with the 35% threshold in Policy H5.</li><li>• The approach to BtR is inconsistent with Policy H11 of the London Plan which confirms the affordable housing offer within BtR developments can be solely Discounted Market Rent (DMR) where the DMR is provided in a mix comprising 30% at LLR equivalent rents and 70% at rents no more than 80% of market rent).</li></ul> <p><b>In summary, in the absence of robust justification for an alternative approach, the plan fails to be in general conformity with the London Plan. The policies of the Draft Local Plan therefore need to be thoroughly reviewed and amended to ensure conformity with the London Plan (2021).</b></p>
5n	Are any other modifications needed to Policy HOU for soundness?	n/a
6	Does the Plan, and policies within it, support a positive and effective planning framework for managing development in Strategic Regeneration Areas?	n/a

### 5.6 Our suggested recommendations under this Part for the Inspectors' consideration are:

- The viability study underpinning the Local Plan should be reviewed in detail to ensure that: i) the inputs are robust and up-to-date (noting there have been significant interim movements in market conditions); ii) the results are verified against recent application assessments and current applications and a range of market indicators.
- The fast-track threshold should not be increased above the London Plan (35% threshold). Consideration should also be given to whether a lower 20% target would be more



## Note continued

effective, particularly for BtR schemes (in line with the national target contained in the PPG) and/or schemes with significant upfront enabling costs.

- The wording of Policy HOU should be updated to make clear the interaction with Policy H5 of the London Plan. Specifically, it should confirm there is flexibility for schemes to progress down the viability tested route at a lower level of affordable housing.
- The wording of Policy HOU The wording of Policy HOU should be amended to confirm the default tenure split should be 100% DMR unless an alternative approach is otherwise agreed mutually between the applicant and the Council.

## 6 Conclusions

- 6.1 The respondent fully supports LBE's overall objectives to deliver much-needed new homes. However, it is considered that the current draft plan fails to adequately plan for sufficient housing delivery over the plan period and does not address the needs of different groups in the community. This is inconsistent with both national policy and the London Plan, and as a result, the plan cannot be deemed to be positively prepared.
- 6.2 Moreover, as outlined in the representations submitted to LBE on behalf of JLP at Regulation 19, the approach to affordable housing within Policy HOU is not sufficiently justified by up-to-date, reliable evidence. Consequently, it fails to strike an appropriate balance between housing needs and the viability of development schemes. This poses a risk to the delivery of much-needed new and affordable homes throughout the plan period. Such an outcome would undermine several key objectives of the draft local plan, including meeting objectively assessed housing needs, and represents a clear step backward, especially at a time when LBE is failing the Housing Delivery Test. For these reasons, the plan is considered neither effective nor deliverable
- 6.3 Furthermore, the approach to affordable housing, particularly the Threshold Amount and requirements for Build-to-Rent (BtR), is inconsistent with both the London Plan and National Policy.
- 6.4 In light of the issues raised above, it is the view of the respondent that the draft plan cannot be considered sound. In order for its soundness to be appropriately assessed, the following steps should be undertaken:



## Note continued

- 1) **Additional Housing Capacity Evidence:** A detailed review of housing capacity is necessary to determine whether a higher housing target can be accommodated within the borough.
- 2) **Additional Housing Needs Evidence:** A more detailed assessment of housing need is required, specifically to understand the scale of need for rental housing in the borough and how the delivery of BtR housing can address this need.
- 3) **Additional Financial Viability Evidence:** Comprehensive viability testing should be conducted; to: i) reflect up-to-date market conditions; ii) determine whether a reduced affordable housing threshold of 20-35% would be more effective; iii) assess whether a reduced threshold should be applied to BtR schemes; iv) consider whether a lower threshold should be applied to housing sites with substantial enabling/abnormal costs.
- 4) **Draft Local Plan Amendments:** The policies of the draft Local Plan should be amended to ensure the plan meets the statutory tests for soundness including being consistent with national policy and the London Plan. Specifically, the following amendments should be made:
  - i) **The draft Local Plan should be amended to ensure the housing target (as appropriately justified) is clear and the housing trajectory supporting the target should include a 5-year supply of deliverable sites.**
  - ii) **The draft Local Plan should be amended to ensure the size, type and tenure of housing needed for different groups in the community are clearly set out. Specifically the draft Local Plan should confirm smaller mix of unit sizes (predominantly one- and two-bedroom properties) are more appropriate in BtR developments.**
  - iii) **Policy HOU of the draft Local Plan should be amended to ensure the Threshold level of affordable housing (as appropriately justified) does not exceed the 35% set out in Policy H5 of the London Plan.**
  - iv) **Policy HOU of the draft Local Plan should be amended to ensure the default tenure in BtR is 100% DMR, consistent with the NPPF and Policy H11 of the London Plan, unless otherwise mutually agreed by the applicant and the Council.**