



# Small Sites: Capacity Study

Harrow Council

Final Report, October 2022

**HARROW COUNCIL**  
**Small Sites Capacity Study**  
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**Final Report**

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# Executive Summary

## Overview

As part of its plan-making process, Harrow Council commissioned Troy Planning + Design in partnership with Hawkins Brown to prepare a Small Sites Capacity Study and associated Design Code<sup>1</sup>. The studies were undertaken alongside each other, with findings being incorporated in and strengthening the outcomes of each.

This report presents the findings of the Small Sites Capacity Study. The aim of this was to assess the potential to accommodate new housing development on Small Sites across the Borough. This study is set in the context of the adopted London Plan (March 2021) and the policies of this which highlight the important role that the delivery of small sites can make towards the supply of land to meet housing needs. For the purposes of this study, the London Plan definition of small sites (i.e.: below 0.25 hectares in size) forms the basis for this work.

The London Plan requires London Boroughs to optimise the potential for development on small sites, particularly those which comprise previously developed land in 'sustainable locations', benefitting from good public transport provision, proximity to town centres and stations.

The ten year housing target established for Harrow in the London Plan is 8,020 new homes. Of this, 3,750 homes, or around 47% of the total ten year housing target (2019/20 – 2028/29), are expected to be delivered on Small Sites. This equates to a small sites target of 375 homes per year.

This study has sought to identify potential Small Sites that might contribute towards meeting the Borough target for new homes. In line with the London Plan, it should be emphasised that the key focus of this study is to assess the potential supply of sites and their capacity for housing in areas of intensification, which are locations with a PTAL<sup>2</sup> of 3-6, within 800m of a station, or 800m of a town centre. It has involved a review of all areas across the Borough to identify potential sites, utilising a 'policy-off' approach in the initial stages of the study to identify as many opportunities as possible, with the suitability of sites then discussed with Council Officers.

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<sup>1</sup> The Small Site Design Code establishes design guidance in respect of small sites in Harrow. It acts as a guide for applicants and decision makers. The Code will be adopted as a Supplementary Planning Document and is intended to help shape good placemaking whilst also responding to the inherent character of the borough. The Design Code includes a set of examples showing how the guidance might be applied to a set of typical small site opportunities in Harrow and which have been used to inform estimates of potential capacity in the Small Sites Capacity Study.

<sup>2</sup> Public Transport Accessibility Levels, where 0 is the lowest level and 6 the highest.

Estimates of site capacity were initially generated through application of the London Plan Density Matrix (2016 version) and refined through the use of design case studies prepared for representative sample sites identified across the borough. It is recognised that although the site identification work has been as thorough as possible, not all sites will be picked up. This is because many homes come forward through conversion and change of use for example. It is not possible to physically identify all of these opportunities. Instead, where a site has been identified but the estimated capacity of this is below five homes, those sites have been discounted from our findings and, instead, an assessment of windfall applied. This avoids double counting and also recognises that activity on these very small and often 'hidden' sites are an important source of housing supply in their own right.

The study also considers matters of deliverability and whether the identified sites represent reasonable prospects for delivery over the life of the Plan period. This has involved a review of transaction data and land values across Harrow, as well as a review of recent developments in the Borough.

Our findings are presented in Section 9 of this report. In short, we estimate that the potential exists to accommodate between 381 – 478 new homes per year, or a mid-point of 430, on Small Sites in the Borough (see Table 18 of the Report). Although greater than past performance on similar sites in Harrow over the last decade and exceeding the London Plan target, any reduction in the supply of new homes from the prior approvals route could make the London Plan target challenging.

It is important to recognise that any assessment of site capacity is, by definition, a snapshot in time. Although the study can be used as a proactive tool by the Council to help bring forward land for development, some sites will not come forward for whatever reason, and other un-identified sites will. These will generally balance themselves out. It is therefore important that the findings of this study are regularly reviewed, testing the assumptions underpinning the estimates and monitoring the progress of identified sites over time.

## Summary of study purpose, process and findings

The approach to the study and findings emerging from this are outlined below and developed further in the main body of the report:

### 1/ Purpose of the study

- a. This study is set in the context of the new London Plan which, for the first time, introduces a specific target for delivery of new homes on small sites – those which are defined as being less than 0.25 hectares in size.
- b. The ‘small sites’ target for Harrow is 3,750 homes (between 2019/20 – 2028/29), which equates to an annualised target of 375 homes on small sites. This is just under 50% of the total housing target for Harrow in the London Plan.
- c. The small sites housing target in the London Plan is based on a ‘modelled’ approach, reflecting assumptions around the scale and location of development. It is not based upon actual identifiable sites.
- d. By comparison, the GLA SHLAA calculates that an average of around 250 new homes have been delivered every year on small sites in Harrow over the last decade<sup>3</sup>. The London Plan figures thus represent a significant increase over this and a challenge for housing delivery in Harrow. Further analysis of the London Development Database (LDD) undertaken for this study indicates that completions on Small Sites over the period 2010-2019 has averaged around 298 completions per year. This includes records of conversions, changes of use and prior approvals, as well as extensions, intensification and new build development.
- e. The purpose of this Small Sites Capacity Study has therefore been to identify as many opportunities for Small Site development as possible, to estimate the capacity from this, and thus how small sites in Harrow might contribute towards the London Plan housing targets.
- f. The study does not seek to ‘allocate’ sites for development nor influence planning applications. Rather, it comprises part of the technical evidence base to assist in production of the new Local Plan.

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<sup>3</sup> Sourced from WLA, November 2018, West London Small Sites SHLAA. The analysis presented in this suite of reports calculates average completions over a twelve year period (2004 - 2015) in Harrow to be 253 homes per year. This period corresponds with ‘Approach 2’ used to inform the London Plan SHLAA prepared by the GLA. This report also shows that over the eight year period 2008 -2015 (reflecting ‘Approach 1’ in the London Plan SHLAA) completions were lower, averaging 221 per year.

## 2/ Approach to the study

- a. A 'policy-off' approach was taken to site identification in the first instance. All constraints to development, except for Green Belt and Metropolitan Open Land, were 'turned-off'. This allowed for as many sites as possible to be identified.
- b. The suitability of sites was then considered, factoring in constraints to development, such as areas of flood risk, employment designations, designated open space and parks. Filtering the sites through these constraints reduced the number of sites that might potentially be considered suitable for development. In addition, consideration was given to factors such as accessibility and relationship with adjacent development to consider whether development might be possible.
- c. Sites considered potentially suitable typically include infill and gap sites, vacant or derelict plots, under-utilised land including that in employment and commercial use, garage courts and car parks.
- d. An initial estimate of development potential from the suitable sites was estimated using the London Plan density matrix. Although no longer forming part of the London Plan, the density matrix was used to inform the new housing targets within the London Plan and provides a range of potential. This is helpful as it is recognised that some sites might in reality have greater potential than estimated, and some lower. Use of the range, and a mid-point between this, allows for this fluctuation.
- e. In terms of location of potential sites, there is a relationship between identified sites, the presence of town centres and higher levels of accessibility (expressed through PTAL).
- f. In total, around 2,250 sites were initially identified, of which 290 were considered to be potentially suitable. As noted above, the review of sites, including policy and environmental constraints, as well as access and matters such as site size and relationship with adjacent development, led to many of the sites being removed. Based on application of the London Plan density matrix, and taking a mid-point between the upper and lower ranges generated through use of the matrix, these sites might have potential to accommodate around 5,280 new homes (Table 2). This excludes those sites with potential to accommodate fewer than five homes, as these are instead accounted for through an allowance for windfall (see later sections).

### **3/ Refining the estimates of capacity**

- a. Design Code work undertaken in parallel to this study includes a series of design principles for new development in Harrow, as well as examples of how these principles might be applied to typical small sites across the borough.
- b. Densities generated through production of case studies on typical sites across the borough have been applied back to sites identified through the Small Sites study. This generates a more refined estimate of potential, with the potential for the sites being optimised within the Harrow context.
- c. Applying the densities from the case studies has reduced the overall estimate of potential to a figure of 2,617 new homes (Table 5). This is in contrast to the mid-point estimate of approx. 5,280 new homes generated through application of the London Plan density matrix.
- d. The lower figure generated through the design work is more reflective of local character and context, and also makes allowance for incorporation of other uses on sites where appropriate, allowing, for example, for the retention of some commercial or community floorspace to deliver mixed use schemes. The range remains helpful as it allows for detailed design work to come forward at a later stage on specific sites and which may enable different models and densities of development to come forward.

### **4/ Discounting the supply**

- a. A large number of the sites identified as being potentially suitable comprise car parks and garage courts, both those in private and public ownership. Across outer London there has been a trend towards car parks coming forward for development, particularly those in the ownership of TfL. However, it is also recognised that car parking remains important to daily life and the local economy, and thus not all sites will be considered appropriate for development. At the same time, there may be opportunities to make more effective and efficient use of the land used by car parks.
- b. The estimate of development potential from car parks and garage courts comes to between 1,482 (based on the case study design exercises) and 3,415 (based on the London plan density matrix) new homes (Table 5).
- c. A discounting rate has been applied to these sites, acknowledging that some may come forward, but that others will continue in their existing use. Reflecting guidance from studies elsewhere, as well as the potential future shift in car use as a result of efforts to change travel behaviours, relatively high discount rates of between 50% - 85% have been applied to car parks and garage courts. This reduced the potential from this source of supply to between 576 and 945 new homes (Tables 12 and 13).
- d. Land values across Harrow have also been reviewed alongside recent scheme delivery to consider whether the typology of sites identified through



the study represent realistic prospects for delivery, with a series of sites tested through use of a development model and compared alongside outcomes from the London Plan viability study.

- e. The assessment indicates that delivery of small sites in Harrow is challenging. This is reflected in recent schemes where financial viability assessment has resulted in the delivery of affordable housing being below borough wide targets.
- f. Delivery of larger, family housing appears more deliverable than flatted or apartment-led schemes on smaller sites, where lower density development would not generate the numbers of new homes necessary to trigger the provision of affordable housing. However, and despite reflecting the character of much of Harrow, delivery of lower density housing schemes is unlikely to deliver the densities and number of new homes needed to meet housing targets.
- g. In reality, a greater proportion of apartment-led schemes have come forward, reflecting the affordability of homes in the local property market, with the required mortgage on many larger properties being in excess of mortgage ratios (i.e.: more than 3.5x average household incomes at 90% loan to value).
- h. Opportunities to maximise affordable housing should thus be explored. This might include use of the GLA Affordable Homes Programme, accessing the GLA Community-led Housing Fund, and making use of powers for local authorities to deliver new homes. This is particularly pertinent giving the impact of the prior approval route and the inability of local authorities to levy Section 106 obligation on these.
- i. To reflect delivery challenges in the Harrow market, estimates of potential have been discounted based on site typology and land value area. Discounts of 10%, 30% and 50% have been applied to account for non-delivery of sites in different value areas (Table 6). This reduces the estimate of potential from small sites to between 1,460 and 2,436 new homes (Table 14).

## **5/ Allowance for windfall**

- a. Some of the sites identified are estimated to have the potential to accommodate fewer than five homes.
- b. This scale of development is normally captured and allowed for through windfall development, often being sites that are difficult to identify, because they often involve conversion and intensification of existing buildings, for example.
- c. An allowance for windfall has instead been made and is based on a review of recent trends, which are then projected forward.

- d. To avoid double counting, any site identified with the potential for fewer than five homes was removed from the list of identified sites and, instead, accounted for in the review of recent development and projection of this.
- e. The approach suggests that delivery of sites with capacity of less than five units is a consistently important source of supply of new housing in Harrow, and typically accounts for around a quarter of all new housing completions every year.
- f. Rolling past trends forward, and allowing for some element of non-delivery, so as not to over-estimate or place over-reliance on this supply, an annual allowance for 128 homes from windfall sites is considered reasonable (sections 7.6 – 7.9).
- g. The main source of supply in this category comes from conversions and subdivisions. These have tended to be located in areas with higher PTALs in Harrow, being within the catchment of town centres and stations.
- h. New build developments only account for a very small proportion of this windfall component.
- i. The potential for new homes to be delivered through other sources and where schemes might generate more than five homes (but still on sites of less than 0.25 hectares) has also been assessed. This shows that the office to residential prior approvals route is an important source of supply of new homes in Harrow. An allowance is made for 106 homes per year from this source type (sections 8.5 – 8.9), though needs monitoring as national data indicates a downwards trend in this form of development.

## **6/ Summary findings**

- a. It is estimated that there is potential for between 1,460 to 2,436 new homes on small sites across Harrow (those defined as being less than 0.25ha but excluding those with capacity for fewer than five homes).
- b. In addition to this, it is reasonable to expect trends for smaller sites to continue (those of fewer than five homes). Over a ten year period this supply may account for around 128 new homes on an annual basis, or 1,280 over a ten-year period. However, the Council should be careful on relying on these in early years of the Plan. Equally, potential may exist for around 106 homes to be delivered per year via the office to residential prior approvals route. Again, the Council should be careful on relying on this source of supply.
- c. Together, it is estimated that Small Sites might have potential to accommodate between 3,800 to 4,780 new homes (380-478 per year), equating to a mid-point of 4,290 homes, averaging to around 430 new homes per year.

- d. The mid-point exceeds both the GLA small site target (375 homes per year) and past performance across Harrow (250 homes based on GLA SHLAA figures, or 298 based on LDD records), however, if the supply of new homes from the prior approvals route diminishes over time then the estimate of new homes that might come forward on small sites will be reduced and more likely to be much closer to the GLA small site target.

It should be noted that this study is not a statement of Council policy. Rather, it is a technical document that comprises part of the evidence base assisting in production of the new Local Plan for Harrow Council. To inform the findings, the study did identify and consider land and buildings where the potential may exist for new housing development in the new Local Plan period. However, this does not constitute support or otherwise for proposals for development.

This document is just one of a suite of technical reports that have been prepared by the Council to inform the new Local Plan. Other studies include, for example, infrastructure delivery, open space, employment and retail provision. The borough-wide Harrow Characterisation Study (2021) is also particularly important, helping to understand the implications of growth on the character and form of the borough. These need to be considered together to help inform policy decisions, and could affect both the estimated capacity of a particular site, or the total capacity for a particular neighbourhood or the authority area as a whole.

# 1. Introduction

## Purpose of the Study

- 1.1 Harrow Council is in the process of preparing a new Local Plan. At the same time, a new London Plan has been adopted (March 2021). This establishes a ten year housing target (2019/20 – 2028/29) for all Boroughs: Harrow need to plan for delivery of 8,020 new homes, or an annual average of just over 800. This represents a significant challenge, increasing the existing annual housing target for Harrow (593 new homes) by more than a third. This means that a more proactive approach needs to be taken by the borough to help identify suitable opportunities for new housing development.
- 1.2 The London Plan has, for the first time, introduced a housing target for Small Sites, being those that are less than 0.25 hectares. This is a component of the overall ten year target. For Harrow, the requirement is for 3,750 new homes to be delivered on Small Sites over the ten year period of the London Plan (see box overleaf for further information on the Small Sites figure). This means that just under half (47%) of all new homes in Harrow should be accommodated on Small Sites. The London Plan anticipates that development of Small Sites may take a variety of forms, including new build, infill development, conversions and redevelopment of existing buildings. The rationale for this new focus on Small Sites is that it will<sup>4</sup>:
- Revive the role of small and medium-sized developers in delivering new homes in London.
  - Diversify the sources, locations, type and mix of housing supply and the type of sites available in addition to large brownfield sites.
  - Increase housing provision in accessible parts of outer London to help address the substantial housing need in these areas and deliver market homes in more affordable price brackets.
  - Provide opportunities for custom-build housing and community-led housing projects.
  - Support town centre economies.
  - Provide opportunities to support the use of modern methods of construction.
- 1.3 This reflects national guidance, with the NPPF (2021) noting that small and medium sized sites can make an important contribution to housing requirements and can be built out relatively quickly. Local authorities are expected to identify land to

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<sup>4</sup> See para 4.2.2, London Plan, GLA, March 2021

accommodate at least 10% of their housing requirement on small and medium sites, though the definition of such a site differs to that in the London Plan, being sites no greater than one hectare in area.

- 1.4 Both the NPPF and London Plan expect local authorities to take a proactive approach to identifying land for new homes, and reflect this in housing supply trajectories. The London Plan considers the small sites target to be a reliable source of windfall and can therefore contribute towards the five-year housing land supply.
- 1.5 This Small Sites Capacity Study has been commissioned in response to the policy framework and seeks to quantify the potential for new development on small sites in the borough.

#### **The London Plan Small Sites target**

The Small Sites housing target was developed through the London Plan SHLAA. Several approaches were undertaken to establish this:

- a. The 2017 London SHLAA (prepared by the GLA) projected that Harrow has the potential to deliver an average of 250 homes per annum on small sites.
- b. Approach 1 of the 2017 SHLAA used completions data for a period between 2008 -15 (i.e. 8yrs) and based on this it projected that the 10 year small sites capacity is 222 homes per annum.
- c. Approach 2 of the 2017 SHLAA used completions data for a period between 2004-15 (i.e. 12yrs) and based on this it projected that the 10 year small sites capacity is 253 homes per annum.
- d. It should be noted that the figures above exclude office to residential conversions through the prior approvals route as a cautionary approach was taken assuming the London Boroughs would implement an Article 4 direction (of which none exist in Harrow) to prevent the loss of offices.
- e. Approach 3 of the London Plan SHLAA took a modelled approach, reflecting a percentage increase in the existing housing stock. This initially established the Small Sites target for Harrow to be 965 homes per annum. As a result of the Examination of the London Plan this was reduced to a figure of 375 homes per annum.

## **The Study area**

- 1.6 The study has considered the entire borough (Figure 1) and to assist with surveying and recording information, has been split by ward (based upon boundaries prior to the May 2022 elections) , with these used to reference and categorise sites.
- 1.7 The network of town centres in Harrow has been mapped and catchment areas drawn around these (Figure 2), extending to 800m, representing a ten minute walk band. All railway stations and tube stations have also been mapped and an 800m catchment area drawn around these.
- 1.8 Furthermore, Public Transport Accessibility Levels (PTAL) have also been mapped, with Figure 2 showing those areas within PTAL 3-6 (benefitting from highest levels of accessibility by public transport).
- 1.9 This reflects the 'locational criteria' for optimising delivery of land for new homes in the London Plan and, when accounting for land designated as Green Belt or Metropolitan Open Land, extends to cover much of the Borough. It is recognised that potential exists for development across the entire Borough area though and, in addition to those parts of the borough falling within the three broad location criteria, the wider area covered by the Borough has also been considered through the site identification process.

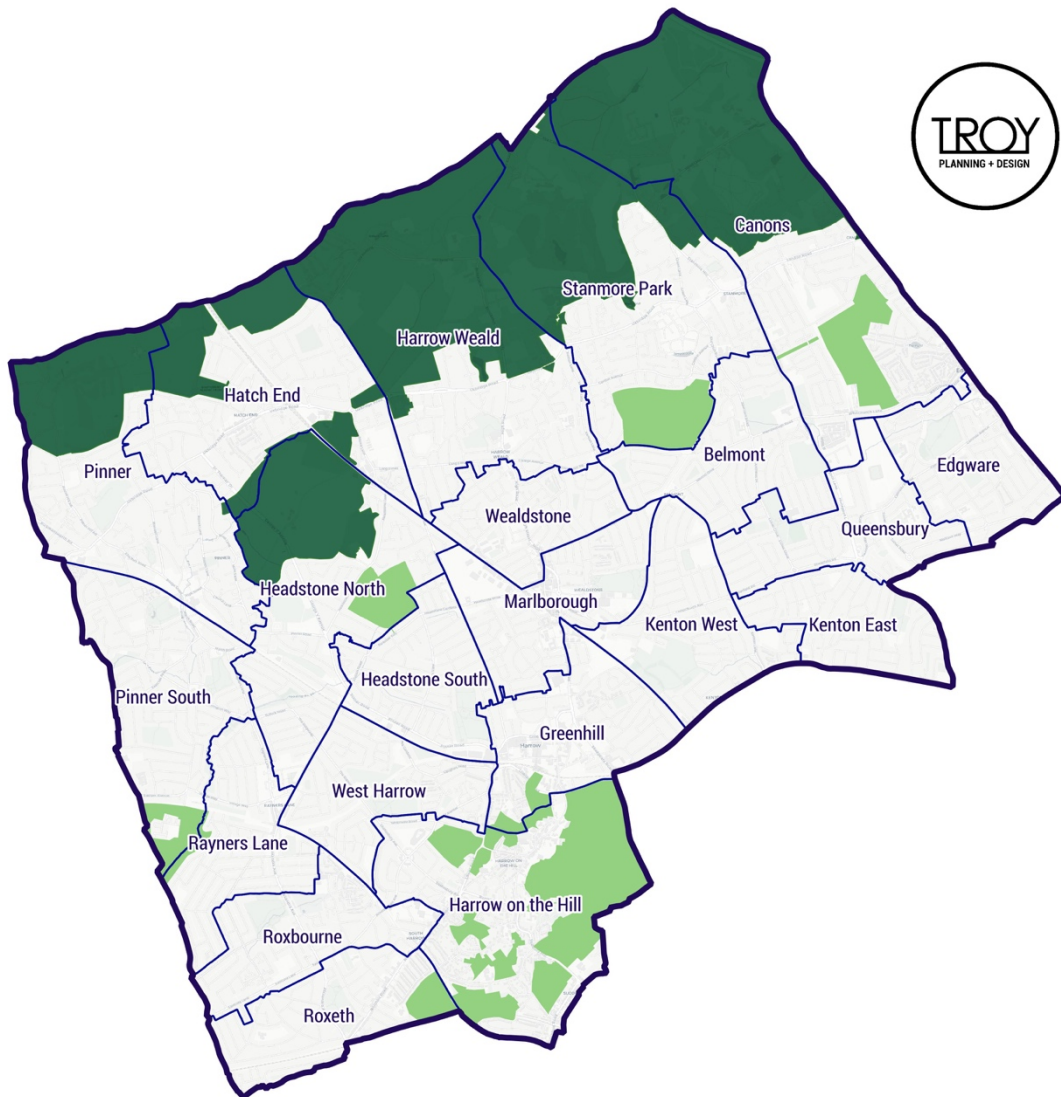
## **Structure of this Report**

- 1.10 Following this introductory section the report is presented according to the various stages of work, providing an explanation of the approach followed and a summary of findings. The report sections are:
  - Section 2; which presents an overview of the method for the Small Sites Capacity Study.
  - Section 3; which presents the approach to identifying potential Small Site development opportunities for housing in Harrow.
  - Section 4; which presents the approach to estimating the development capacity of the identified sites, taking a design-led approach on a sample of representative small sites identified across the borough.
  - Section 5; which considers matters of deliverability and the impact of this on small site developments.
  - Section 6, which reflects on deliverability factors and other issues, and, as a result of these, reduces the overall estimates of capacity to a more realistic level.
  - Section 7; which makes an allowance for windfall development on 'smaller sites' and schemes in Harrow, being those generating fewer than five units and which,




because of their size, are difficult to identify but represent an important source of new homes over time.

- Section 8; which considers the potential from other 'hidden' sources of supply, such as living over the shop, empty homes and conversions.
- Section 9; which pulls together the findings from the study.

1.11 Beyond these sections the report is supported by a series of appendices (contained in a separate volume), including windfall analysis and data associated with the review of refused small site schemes across the borough. Furthermore, the information sitting behind this study, including site schedules and mapping, has been provided to the Council in electronic format, assisting with ongoing monitoring and review.



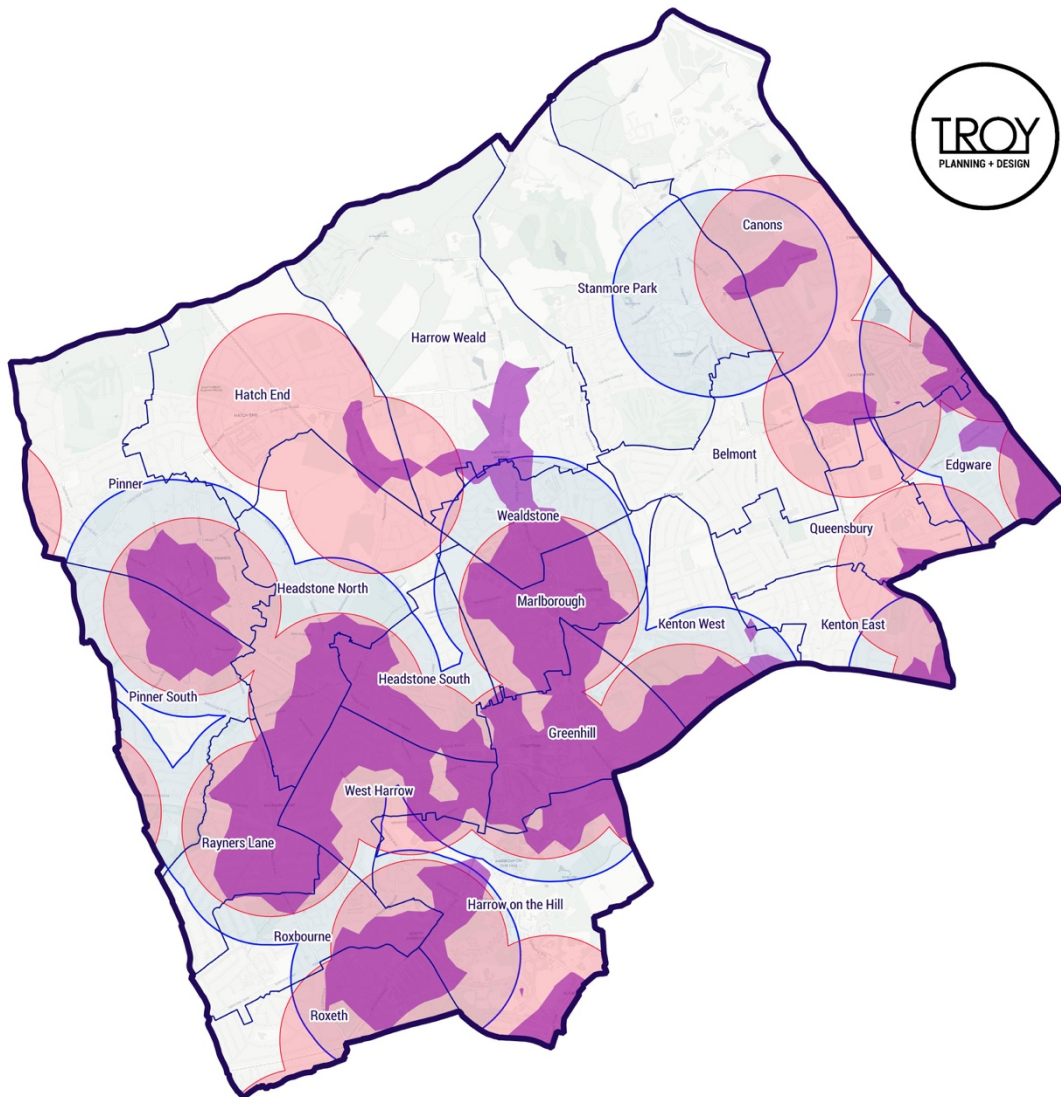
## KEY

-  LB Harrow Ward Boundaries
-  Green Belt
-  Metropolitan Open Land





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Figure 1: Plan showing the London Borough of Harrow, wards within the Borough, extent of the Metropolitan Green Belt and Metropolitan Open Land.





## KEY

-  LB Harrow Ward Boundaries
-  PTAL 3-6
-  Areas within 800m of a Railway Station
-  Areas within 800m of a Town Centre

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Figure 2: Plan showing those parts of the Borough within the key locational criteria for optimising development, including land in PTALS 3-6, land within 800m of a town centre, and land within 800m of a station. Parts of these overlap with areas of Green Belt, as illustrated in Figure 1.

# 2. Approach

## Overarching guidance

- 2.1 The approach taken to this study responds to the NPPF and associated Planning Practice Guidance. The NPPF states that *'strategic policy-making authorities should have a clear understanding of the land available in their area through the production of a strategic housing land availability assessment (SHLAA)'* (para 67), and that *'local planning authorities should identify... land to accommodate at least 10% of their housing requirement on sites no larger than one hectare'* (para 68). It goes on to promote the effective use of land, stating that *'local planning authorities... should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs'* (para 119).
- 2.2 In London it is the GLA who prepares the SHLAA as part of the London Plan. That, combined with assessment of housing need, has been used to establish housing requirements for each of the London boroughs. The SHLAA undertaken for the London Plan identifies large sites with the potential to accommodate new homes, most of which are already in the development pipeline.
- 2.3 In respect of Small Sites, the SHLAA prepared by the GLA is based on a modelled approach which considers the potential for intensification of existing areas of housing. In outer London this generated a substantial housing requirement that was significantly over and above past trends. This formed a topic of extensive debate during examination of the draft London Plan and Harrow, along with partner boroughs comprising the West London Alliance, submitted an extensive critique of the approach taken by the GLA. The panel of Inspectors appointed to review the draft London Plan agreed with the critique and proposed a reduction to the Small Sites housing requirement in the adopted version of the London Plan. Despite the reduced figure, the requirement remains based on a modelled approach and the onus is on the Boroughs to identify where this potential exists and how it might be brought forward. As per national guidance, a proactive approach is required to identify the sites. Indeed, and importantly, Planning Practice Guidance states:
- 'It is important that plan-makers do not simply rely on sites that they have been informed about, but actively identify sites through the desktop review process that may assist in meeting the development needs of an area'.<sup>5</sup>*
- 2.4 This Small Sites Capacity Study is a response to this guidance. It has sought to explore all opportunities for future housing development, taking a 'policy-off'

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<sup>5</sup> MHCLG, July 2019, Planning Practice Guidance, Housing and Economic Land Availability Assessment, Paragraph: 010 Reference ID: 3-010-20190722

approach to site identification (meaning, for example, that ‘constraints’, such as open space designations and areas of flooding, as well as allocations for non-residential uses, are ‘turned-off’ in the first instance, taking an inclusive approach to site identification, but which are then factored back in when considering the suitability of individual sites), as well as undertaking a forensic review of streets and neighbourhoods in Harrow. In line with Planning Practice Guidance for ‘Housing and Economic Land Availability Assessment’ (last updated July 2019) the Small Sites Capacity Study has sought to identify sites with potential for development, assess their suitability, their potential capacity and the likelihood that development will come forward.

- 2.5 During the process of undertaking this study the GLA published, for consultation, a suite of documents under the banner of ‘Good Quality Homes for all Londoners’<sup>6</sup>. These documents include guidance on the process of site identification, considering the suitability of a site for development, and how to assess development potential.
- 2.6 In terms of the site identification process, the ‘Module B’ document (Small Housing Developments: Assessing Quality and Preparing Design Codes) suggests that identifying character areas can help assess the potential to accommodate different forms of development within these, particularly in respect of opportunities for infill and backland development within defined development blocks.
- 2.7 In parallel to this Small Sites Capacity Study Harrow Council has produced a character study (Harrow Characterisation Study, 2021), which identifies broad character areas and neighbourhoods across the borough, and the potential for change within these. However, it is often at the fringes and interface areas between different areas of character that many sites and opportunities exist. These are often places where the built form has become fractured over time, often by infrastructure, or where more organic growth and development means these places are more susceptible to and able to accommodate future change. The Small Sites Capacity Study has thus sought to identify opportunities within these locations as well as responding to the character of different areas, particularly in respect of the production of design case studies to test potential for development.

## **Underlying principles**

- 2.8 The methodology for the Small Sites Capacity Study recognises the fundamental importance of:
  - Relating the analysis of urban housing and other development, e.g. employment and retail potential, to proximity and access to local facilities and public

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<sup>6</sup> <https://consult.london.gov.uk/good-quality-homes-for-all-londoners>

transport, reflecting opportunities for sustainable patterns of development and optimal use of land.

- The need for forensic surveys in the most sustainable locations and taking a 'policy-off' approach in early stages to capture as many opportunities as possible, taking a longer-term view of site potential.
- A clear and transparent approach to site assessment which strengthens the robustness of findings.
- Reflecting local character and context within estimates of capacity.
- Engaging with Council officers to review and agree the potential suitability of sites identified through the study.

## Summary method

2.9 Work on the Small Sites Capacity Study involved the following main stages:

### **Stage 1: Method development and consultation**

2.10 This stage involved developing and refining the method, inviting comment on the approach from: neighbouring boroughs as part of the Duty to Cooperate process; and developers and agents active in the borough. Copies of the letters are included within Appendix A. The letters to developers and agents also included an opportunity for sites to be submitted for consideration in the study through inclusion of a standard proforma. Sites submitted were considered in Stage 2 onwards. The Engagement process is broadly reflected of parts of Stage 1 of the approach to housing and economic land assessment established in Planning Practice Guidance.

### **Stage 2: Identifying the capacity**

2.11 This stage involved survey work, including a review of mapping and documentation, to identify as many future development opportunities as possible. This involved surveys on a street-by-street basis of the town and district centres in the borough, the principal transport hubs (railway and tube stations) and the catchment areas around these. It sought to identify infill, backland and gap sites, as well as under-utilised or low density sites. All other areas and sites identified through the desk-based review were also examined, and identified opportunities recorded. The suitability of each site for new housing development was considered and reviewed with officers. This stage is presented in Section 3 of the report. It broadly reflects parts of Stage 1 and 2 of the approach to housing and economic land assessment established in Planning Practice Guidance.

### **Stage 3: Assessing capacity**

2.12 Estimates of housing capacity in this study were first based on application of the London Plan Density Matrix. This allowed for an initial view on the capacity of small site potential in Harrow to be calculated. It was further refined through production of design case studies on a set of representative sample sites across the borough. This stage is presented in Section 4 of the report. It broadly reflects parts of Stage 2 of the approach to housing and economic land assessment established in Planning Practice Guidance.

### **2.13 Stage 4: Reviewing achievability**

2.14 This stage involved calculation of land values and a review of matters affecting viability as well as recent development schemes on small sites across Harrow to determine whether the identified sites represented a reasonable prospect of delivery. An approach to discounting was applied to common site typologies which reflect the likelihood of development, including factors such as the lapsing and non-delivery of schemes. This stage is presented in Sections 5 and 6 of the report. It broadly reflects parts of Stage 2 of the approach to housing and economic land assessment established in Planning Practice Guidance.

### **Parallel stages**

2.15 Although the study seeks to identify as many opportunities for new housing development on Small Sites as possible it is recognised that not every site will be picked up, and that other 'hidden' sources of supply contribute to housing delivery in the borough too. An assessment of windfall has been made. This incorporates 'smaller sites' (those with a potential housing yield of fewer than five homes), including potential from conversions and sources such as the re-use of empty homes. To avoid double-counting, any site identified in Stage 2 above as having potential for fewer than five units was removed from the assessment of capacity and instead allowance for this made through the calculation of windfall. This stage is presented in Sections 7 and 8 of the report. It broadly Stage 3 of the approach to housing and economic land assessment established in Planning Practice Guidance.

2.16 In addition, the study reviewed the Council's planning application database and the reasons given for refusing any application for a Small Site development in the borough. This sought to identify whether there were any particular policy reasons that might be reviewed to help facilitate an increase in Small Site development. This is presented in the Appendix and Section 9 of the report.

# 3. Identifying the capacity

## Site identification

- 3.1 Sites were identified during the early stages of the project through a desk-based approach, reviewing mapping and aerial photography. A GIS database of all sites identified was created, ordered on a ward basis. Areas in the borough within the 800m catchment areas around stations and town centres were mapped, as well as those areas within PTAL 3-6. These comprised the focus areas of search for identifying sites, taking a street-by-street approach. Sites identified included infill, backland and gap sites, as well as under-utilised or low density sites. Other areas were also reviewed on a systematic but still forensic basis. In reality, the areas mapped as outlined above cover the majority of the borough, meaning most of Harrow was subject to a detailed site search.
- 3.2 Sites received through the Call for Sites process were added to the database for consideration. The Call for Sites formed part of the 'method development and consultation' stage outlined in the previous section, inviting respondents to comment on the proposed method and to submit sites for consideration. Three sites were put forward through this process.
- 3.3 The desk-based review was not constrained by a particular size threshold. This allowed very small sites, which may have potential to accommodate higher density development, to be tested and included as appropriate. It also invariably resulted in some sites in excess of the 0.25 hectare small site size threshold being identified. Any site exceeding this threshold (of which there were 108 in total) was subsequently removed from the assessment.
- 3.4 The early stage of the study purposely took a 'policy-off' approach to site identification, explicitly avoiding rejecting and discounting sites during the survey process. Policy layers and constraints were thus 'hidden' for the purpose of this stage. This allowed as many opportunities to be identified as possible, allowing for a longer-term view of site potential to be considered.

## Initial filtering process

- 3.5 The site identification stage resulted in 2,251 sites being mapped for consideration. These were filtered to remove any sites exceeding the area threshold for a Small Site (0.25 hectares). In addition, an initial estimate of development capacity for each site was calculated (see paragraph 3.6 below). This allowed ‘smaller’ sites to be identified and removed. For the purpose of this study, ‘smaller’ sites are those with a development capacity of fewer than five homes. Such sites are often difficult to identify because they often involve change of use and conversion, or development of one or two new dwellings on existing plots. Such sites are accounted for through an allowance for windfall (see Section 7) and, to avoid double-counting, were removed from the database of potential sites.
- 3.6 The initial estimate of site capacity was calculated through application of the London Plan (2016) Density Matrix, which includes a density range (based on dwellings per hectare) depending upon the “setting” of a place (either suburban, urban or central) and the PTAL rating of a particular site (See Table 1). Although the Density Matrix has now been removed from the most recent version of the London Plan, it was used to help inform capacity estimates in the SHLAA which underpin the Plan. Furthermore, given the sheer number of sites identified in this study, its use is appropriate to generate initial estimates of potential for further refinement through production of site-specific design case studies (see Section 4).
- 3.7 Application of the Density Matrix generates a low and high figure of potential for each site. A mid-point between these was then calculated. Any sites with an estimated mid-point of fewer than five dwellings were considered to be a ‘smaller’ site and thus discounted at this point (and to avoid double-counting when assessing the potential for windfall – see Section 7). Given the size of the sites in question it was assumed that they would be entirely suitable for residential development. In reality, some sites will be more suitable for a mix of uses. The mid-point calculation allows for this flexibility.

Setting	PTAL		
	0 to 1	2 to 3	4 to 6
<b>Suburban</b>	35 – 75 du/ha	35 – 95 du/ha	45 – 130 du/ha
<b>Urban</b>	35 – 95 du/ha	45 – 170 du/ha	45 – 260 du/ha
<b>Central</b>	35 – 110 du/ha	65 – 240 du/ha	140 – 405 du/ha

*Table 1: Simplified summary version of London Plan Density Matrix used for initial estimates of site capacity*

## Suitability and review of site constraints

- 3.8 Those sites retained after the initial filtering process above were then subject to an assessment against policy and environmental constraints. This was used to identify whether a site fell within a particular constraint or designation that would make it unsuitable for development. The constraints were Green Belt, Metropolitan Open Land, designated open space, green chains or corridors, registered parks and gardens, Sites of importance for nature conservation, Sites of special scientific interest, and areas of flooding.
- 3.9 Other policy constraints that do not preclude development but may have an impact on potential were also noted. These included designations such as conservation areas, listed buildings, view corridors and tree preservation orders. Sites located in employment and business uses were also noted. Those designated as a Strategic Industrial Location (SIL) or Locally Significant Industrial Sites (LSIS) were considered unsuitable. However, there are large parts of Harrow which comprise employment uses that fall outside of these designations but which are classified as 'Business Use Areas' at the borough level. Although not benefitting from any specific policy protection, and instead being areas where it is recognised that business activities are important, these do represent opportunities for rationalisation and intensification of existing uses and which might allow for the introduction of residential development, where appropriate. This is in line with Policy E7 of the London Plan which states *that "[...] development proposals should be proactive and encourage the intensification of business uses in Use Classes B1c, B2 and B8 [...]"*. All such sites were noted and retained for consideration. However, the London Plan, at Policy E7, also recognises the importance of 'non-designated' industrial floorspace and that these should be retained, unless evidence can be provided to support release, rationalisation or redevelopment. It also notes, at Policy E4, that a sufficient supply of land and premises for current and future demands should be provided and maintained so that, in effect, there is no net loss of employment land.
- 3.10 Following the review of policy and environmental constraints visual observations were carried out to identify any sites where development might be limited due to matters such as accessibility or where the configuration of the site would mean that development would be unsuitable in terms of matters such as amenity, overlooking and privacy. This reflects emerging advice published by the GLA in their suite of documents under the banner 'Good Quality Homes for All Londoners'<sup>7</sup>. The identified sites, recommendations with regard to site suitability and process followed was reviewed with officers, with comments made through this fed back into an updated database.

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<sup>7</sup> See, in particular, Module B, Small Sites and Design Codes



## Summary of stage findings

- 3.11 In total, 2,251 sites were identified for consideration. Of those, 290 were considered suitable. Based on a mid-point calculation using the London Plan Density Matrix, this resulted in an estimate of capacity in the region of 5,280 new homes. This is broken down on a ward basis in Table 2.
- 3.12 A range of different types of site were identified through the first stages of the study, including, for example, employment sites, infill and gap sites within residential or town centre contexts, car parks, garage courts, derelict and vacant land. The suitability of each site was considered as outlined above.
- 3.13 Some of the sites identified were also noted as already benefiting from planning permission. Although being suitable sites for development these were discounted at this stage to avoid estimates of capacity double counting existing known supply. A total of eleven sites were removed at this stage.
- 3.14 Some of the sites identified included small parades, associated outbuildings and service areas. Although veering into matters of delivery, these sites were considered unsuitable at this stage, to avoid double-counting with windfall allowances (see later in this report) and recognising the complexity inherent in bringing forward sites involving multiple ownerships (see section on 'other sources of supply' later in this report). This is not to say that redevelopment or intensification of parades will not come forward over time, but further detailed assessment of this potential is required and that, in the meantime, estimates of windfall allow for this change.
- 3.15 With regard to associated land uses of the sites considered suitable, more than a third (37%) of the overall total comprise areas of car parking, and a further 36% comprise areas of garages, often with associated hardstanding and surface parking (Figure 3). Others include infill sites comprising a mix of uses and activities, including some form of business use, commercial areas and community uses where potential for intensification exists. These are broken down by broad site typology in Table 3 and Figure 3.

<b>Ward</b>	<b>Total sites identified</b>	<b>Sites considered suitable</b>	<b>Percentage of sites considered suitable (%)</b>	<b>Initial estimate of development potential (homes) *</b>
Belmont	61	4	6.6%	39
Canons	124	21	16.9%	391
Edgware	92	21	22.8%	506
Greenhill	163	45	27.6%	1,057
Harrow-on-the-Hill	125	20	16.0%	294
Harrow Weald	128	9	7.0%	143
Hatch End	180	9	5.0%	69
Headstone North	63	4	6.3%	52
Headstone South	82	8	9.8%	91
Kenton East	29	4	13.8%	295
Kenton West	137	11	8.0%	311
Marlborough	96	33	34.4%	663
Pinner	146	15	10.3%	211
Pinner South	100	9	9.0%	108
Queensbury	17	1	5.9%	5
Rayners Lane	168	8	4.8%	244
Roxbourne	125	7	5.6%	64
Roxeth	136	10	7.4%	118
Stanmore Park	137	21	15.3%	266
Wealdstone	72	13	18.1%	179
West Harrow	70	17	24.3%	173
<b>Total</b>	<b>2,251</b>	<b>290</b>	<b>13.1%</b>	<b>5,278</b>

*Table 2: Breakdown of small sites identified, by ward, and initial estimates of capacity (numbers may not add due to rounding)*

*\* Note: Estimate of development potential in this column based on 'mid-point' using the London Plan density matrix*

3.16 The broad typology of sites identified in the study were:

- 'Big-box': typically characterised by existing uses in large span sheds, usually light industrial in nature and located on back-land sites. Through development some potential may exist to retain or reprovide an element of non-residential floorspace for employment purposes.
- Car Parks: areas of surface parking.
- Garages: typically comprising garage courts and associated areas of hard surfacing, often associated with residential estates.
- 'Backland: sites which comprise a mix of gap sites in the existing street frontage or back-land sites, often within established development blocks, sandwiched between existing residential development and streets.
- Open land: typically 'left over' spaces as opposed to open spaces purposely designed and provided as part of the character or amenity value of an area.
- 'Urban core': typically characterised by their location on High Streets and in close proximity to transport links. Potential exists to retain or reprovide an element of non-residential floorspace, including shops, offices or community uses at ground floor, with homes above.
- 'Suburban: typically characterised by their low rise and or low density context, these often comprise sites with existing community uses which could be intensified, and where non-residential uses might be retained or reprovided as part of a development scheme.

<b>Broad type of sites identified as having potential for development</b>	<b>Number of suitable sites:</b>	<b>% of suitable sites by typology</b>	<b>Estimated capacity (as based on mid-point calculations):</b>
Big box	17	6%	500
Car parking	108	37%	2,087
Garages	105	36%	1,328
Backland	14	5%	272
Open land	10	4%	138
Suburban	15	5%	303
Urban Core	21	7%	650
<b>Total</b>	<b>290</b>	<b>100%</b>	<b>5,278</b>

*Table 3: Breakdown of suitable sites by typology and estimated capacity*

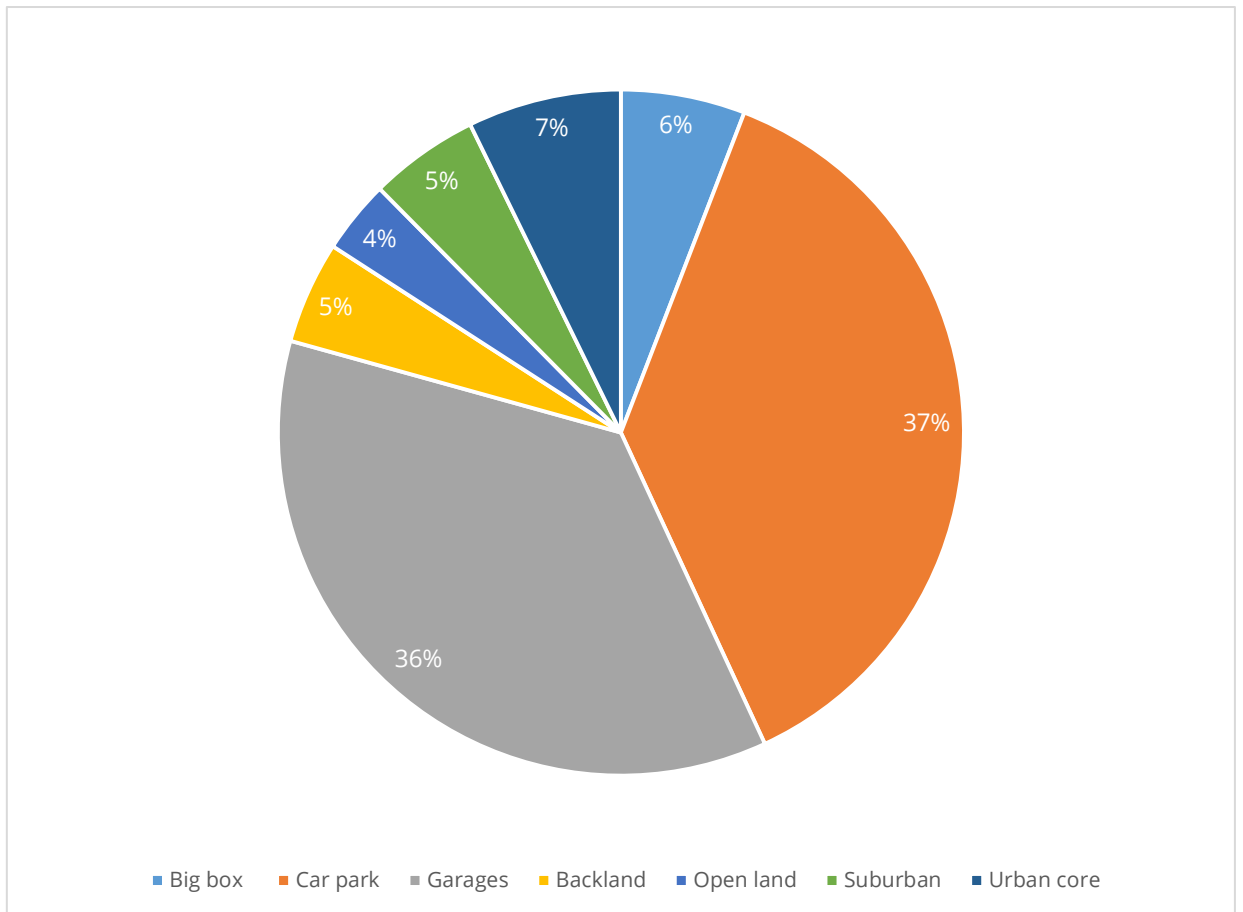
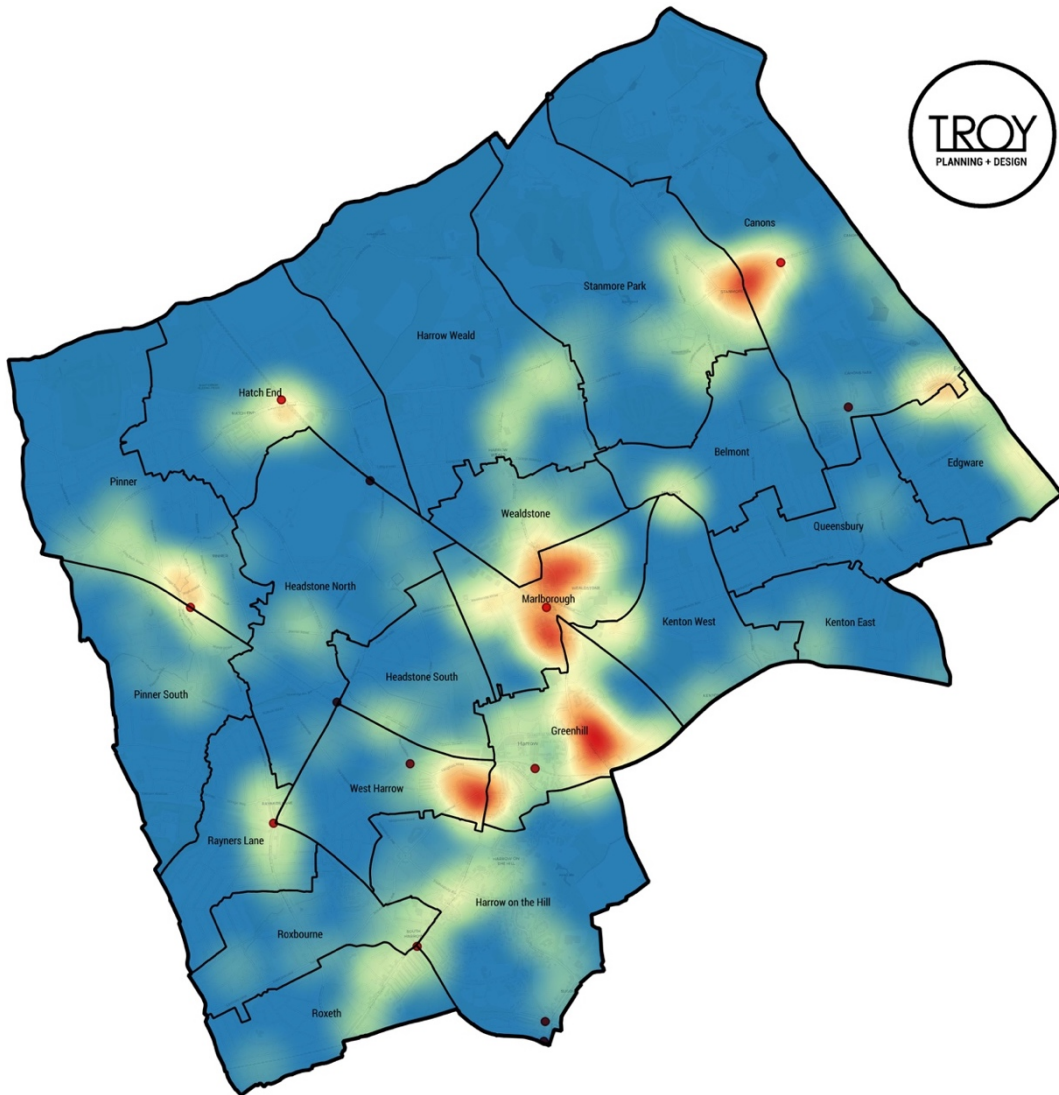


Figure 3: Breakdown of sites considered suitable by typology

- 3.17 As illustrated in Figure 4 there is a clear relationship between the location of suitable sites and the presence of urban centres (e.g.: Harrow, Wealdstone, and Stanmore). Notably, high concentrations of suitable sites are found around key rail links such as Harrow and Wealdstone, West Harrow and Canons Park tube stations. Secondary urban areas such as Edgware, Pinner, Hatch End and Rayners Lane also present opportunities for small site development, albeit at lower concentrations than those areas noted above. In less densely built-up wards, such as Harrow Weald, Queensbury, Kenton East and Roxbourne, low concentrations of suitable sites were identified. These are places that also have more limited access to the network of train and tube stations in the borough.
- 3.18 The clustering of site suitability also links through to estimates of development potential, with higher density multipliers being applied in the more accessible, central locations. The greatest area of potential, by estimated capacity, is found around Harrow, Wealdstone and Stanmore Park.



### Suitable Sites Heatmap



Contains Ordnance Survey data © Crown copyright and database right 2020

Figure 4: Heatmapping indicating the concentration of identified and suitable small sites

# 4. Refining the estimates of Capacity

- 4.1 Within section 3 initial estimates of capacity were made through application of the London Plan density matrix. These estimates have been refined further through production of a series of case studies on typical sites found across the borough (as summarised in the previous section), with different scenarios explored and densities generated for each. The case studies relate to local character and context, having been informed by parallel work undertaken by the Borough on production of a Harrow-wide Character Assessment and through workshops with planning policy and development management officers at Harrow. Furthermore, the case studies reflect best practice guidance on urban design and place making principles. They have been prepared as part of and are included in the 'Small Site Design Code' prepared as a Supplementary Planning Document. The Small Site Design Code acts as a guide for applicants and decision makers. It is intended to help shape good placemaking whilst also responding to the inherent character of the borough.
- 4.2 The design case studies are presented in a free standing report appended to this study and are also embedded within the Small Sites Design Code, illustrating how the codes might be applied in practice. The densities generated through the case studies are presented in Table 4.
- 4.3 Applying the average densities generated through the case studies (as presented in Table 4) back to other similar sites identified within the study generates an estimate of capacity below that assumed through use of the London Plan density matrix (Table 5). This results in a range of between 2,617 to 5,278 homes, reflecting the case studies and London Plan density matrix respectively. A mid-point between these would be 3,927 homes. Use of the mid-point allows for different design responses to come forward in relation to site size, context and development mix for example.

Site typology	Density range generated through design case studies (du/ha)		
	Minimum density	Maximum density	Average density generated
Big box	87	100	93.5
Urban core	122	182	152
Suburban	59	93	76
Car parks	61	86	71.3
Backland *	96	96	96
Garages	50	71	60.5
Open land	114	120	117

*Table 4: Densities generated through design case studies of typical sites across the Borough (\* only one case study exercise was prepared for the back-land scenario)*

Site typology	Number of suitable sites in each typology	Combined total area of sites within each typology (hectares)	Development capacity estimate based on application of design case study average densities	Development potential estimate based on mid-point application of London Plan density matrix	Mid-point development potential estimate between design case studies and London Plan densities
Big box	17	2.87	267	500	384
Urban core	108	29.45	491	650	570
Suburban	105	1.88	143	303	198
Car Parks	14	12.62	845	2,087	1,466
Backland	10	1.2	116	272	194
Garages	15	10.17	637	1,328	987
Open land	21	1.01	118	138	128
<b>Total</b>	<b>290</b>	<b>59.2</b>	<b>2,617</b>	<b>5,278</b>	<b>3,927</b>

*Table 5: Estimate of potential following application of densities generated through the design case studies*



# 5. Prospects for development

## Availability and Achievability

- 5.1 Following the assessment of the suitability or otherwise of sites identified in the earlier stages of the study this section now considers whether they represent reasonable prospects for delivery. It reflects guidance and advice at both the national level and in emerging guidance prepared by the GLA.
- 5.2 National policy and guidance on the assessment of land for housing<sup>8</sup> states that the supply of land identified should be available and achievable, such that it can contribute towards meeting development requirements over the plan period. Guidance explains:
- “Plan-makers will need to assess the suitability, availability and achievability of sites, including whether the site is economically viable. This will provide information on which a judgement can be made as to whether a site can be considered deliverable within the next five years, or developable over a longer period.”<sup>9</sup>*
- 5.3 Assessments of site availability typically rely on information to demonstrate that there are no legal or ownership problems, such as unresolved multiple ownerships, ransom strips, tenancies or operational requirements of landowners<sup>10</sup>.
- 5.4 The existence of planning permission can be a good indicator of availability, though it cannot be relied upon completely<sup>11</sup>. Where potential problems have been identified, they may not necessarily be regarded as incapable of development and guidance states that sites without permission can be considered available within the first five years with consideration to factors such as *“the delivery record of the developers or land owners putting forwards sites, and whether the planning background of a site shows a history of unimplemented permissions.”<sup>12</sup>*
- 5.5 The purpose of this Small Sites Capacity is to assess the potential for small sites in Harrow to contribute towards the supply of land for new housing and meet the London Plan small sites target. These sites might not ordinarily have been considered; as such, the existence of planning permission is a less significant factor in this regard than guidance indicates.
- 5.6 Assessments of achievability are essentially a view on the economic viability of a site. This should be informed by the view that there is a reasonable prospect of a

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<sup>8</sup> NPPG Guidance on Housing and economic land availability assessment

<sup>9</sup> NPPG Paragraph: 017 Reference ID: 3-017-20190722

<sup>10</sup> NPPG Paragraph: 021 Reference ID: 3-021-20190722

<sup>11</sup> NPPG Paragraph: 019 Reference ID: 3-019-20190722

<sup>12</sup> *ibid*

particular type of development being developed on the site at a given point in time, reflecting the capacity of a developer to complete and sell elements of the scheme over a certain period<sup>13</sup>. Evidence-based judgement should be informed by relevant available facts and based on a realistic understanding of the operation of the market. The PPG suggests that a typology approach can be appropriate:

*“A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.*

*In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan.*

*Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies.<sup>14</sup>”*

- 5.7 For the purposes of this study, a typology based approach has been followed. This looks at the broad types of sites identified, reviews similar schemes that have recently come forward in the borough, and considers whether matters such as land values and development contributions impact on their achievability.
- 5.8 The nature of this study is also important in terms of the way in which guidance is applied. The study estimates potential housing yield from a wide range of individual sites, but it is not policy and does not itself confirm support for the principle of development. Assessments are supported by the best information available within the methodology for the study, but it will be necessary to have regard to the evidence base for the development plan as a whole to determine whether individual sites are suitable for allocation.
- 5.9 It is also important to compare and contrast the evidence generated by this Small Sites Capacity Study against other alternatives endorsed by national guidance. This Study provides an exhaustive assessment of potential development yields across a range of individual sites. By contrast, guidance recognises the role that identifying ‘broad locations’ can play in establishing future estimates of developable land for housing. These might include existing areas that could be improved, intensified or changed and where there is a reasonable prospect of housing being developed at the point envisaged.
- 5.10 The process followed in this stage of the work is considered to be proportionate and commensurate with the level of information available and the high number of sites identified, being over and above that normally considered within a SHLAA.

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<sup>13</sup> NPPG Paragraph: 020 Reference ID: 3-020-20190722

<sup>14</sup> NPPG Paragraph: 004 Reference ID: 10-004-20190509

## Deliverability and Developability

- 5.11 The NPPF makes the difference between deliverable and developable sites very clear. This is important for understanding during which part of the plan period a site can be expected to begin to deliver completions in.
- 5.12 In order for a site to be deliverable, the NPPF requires that the site should be *“available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years”* (annex 2 of the NPPF).
- 5.13 It is acknowledged that the definition of deliverable requires sites to have clear evidence of expected delivery, such that completions can be recorded in the first five years of the Plan period. Given the initial policy-off and inclusive approach taken in this study a number of the sites identified as suitable for development were already subject to planning permission or are sites where an application for development has been submitted. To avoid double-counting the potential supply for future sites with those already in the pipeline, including allocations, sites benefitting from permission or those subject to a live application were discounted from our figures of assessment. This is also because these sites are already ‘known’. It is the potential from other sites not currently in the development pipeline, but which could contribute to future supply, that this study is particularly interested in. These are sites that should be considered ‘developable’.
- 5.14 For a site to be developable it *“should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged”* (annex 2 of the NPPF).
- 5.15 This study has a particular focus on small sites within the existing built form and where the policy approach at national, London and borough level reflects the principles of sustainable development and, subject to meeting certain criteria, around matters such as design, access and amenity for example, is supportive of new development. So whilst many of the sites identified will not meet the definition of being ‘deliverable’, they are sites that could reasonably be considered ‘developable’. Indeed, the NPPF, at para 68, acknowledges that:  
*“Small and medium sized sites can make an important contribution to meeting the housing requirement of an area and are often built out relatively quickly”.*

## Land Values

- 5.16 Land values are a useful indicator of achieving development on a site / within a broad area. The Viability Study undertaken as part of the London Plan considers land values and the impact of these on development viability. This work was undertaken at the 'macro scale'. Further work has been undertaken as part of this study at the 'micro scale' to identify more borough specific value areas. This is presented below.

### London Plan Viability Study

- 5.17 To be considered viable schemes should provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable.
- 5.18 The London Plan Viability Study 2017 tested the deliverability of the draft London Plan. The underlying principle of the study is that the cumulative effects of the London Plan's policies should not combine to render the Plan unviable.
- 5.19 In the context of viability testing a residual value of different typologies is compared to a range of 'benchmark land values'. This range is usually informed by current use values (plus a premium) that would represent competitive returns to a willing landowner.
- 5.20 Sites are judged viable when residual value exceeds adopted benchmarks whilst demonstrating that the Council's policy requirements (including delivery of affordable housing, environmental standards, parking and cycle storage provision, accessibility standards and size of dwellings) can be achieved. The costs of the Community Infrastructure Levy (including MCIL2) and S106 payments were also taken into account.
- 5.21 The analysis of the values and costs of development in London highlighted significant variations across the city and five value bands were identified for residential development (A to E, highest to lowest). Build and associated development costs also varied in line with the value bands/areas. The London Borough of Harrow was designated as Band D/E.

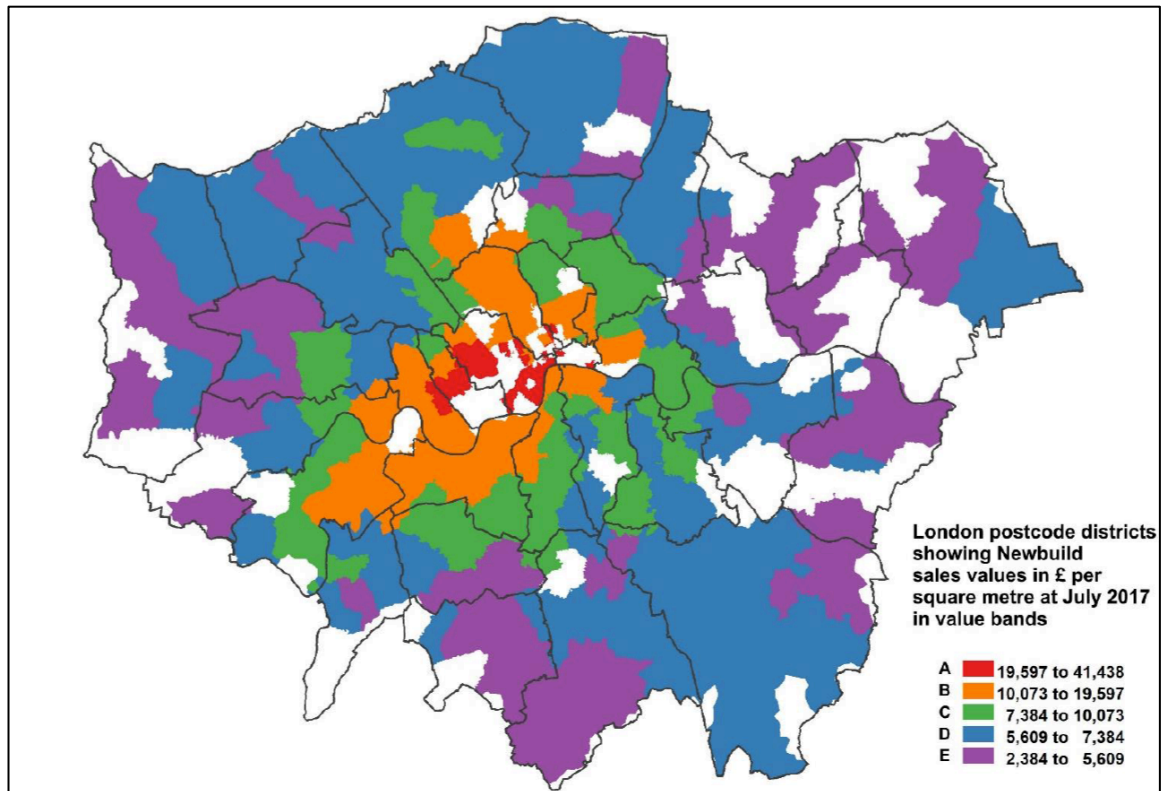


Figure 5: Extract from London Plan Viability Study, indicating Harrow to be within Value Bands D-E

- 5.22 The Study found that in value Bands D and E, viability is more varied than it is in the higher value bands where 50% affordable housing (without grant) is considered viable across all benchmark land values. However, 35% affordable housing is considered viable across the value bands depending on the scheme type and tenure. The provision of affordable housing grant increases delivery in some cases in the mid/lower bands.
- 5.23 The study also notes in the Executive Summary that *“some types of development are more viable than others and this varies between value bands e.g. the higher density schemes are more viable in the higher value bands; and the lower density schemes are more viable in the lower value bands, based on current day values. It may be possible to deliver more viable developments (including at higher densities) by using a lower-rise form of development and/ or in areas with better transport accessibility; and this would allow more certainty around affordable housing provision where values are lower.”*
- 5.24 Case studies were chosen to reflect the typology of sites likely to come forward over the life of the London Plan. Of particular note to this study, due to them being “small sites”, are:
- Res1 – Small site (0.13ha/8 dwellings); lower density mix of terrace and flats; and
  - Res2 – Small site (0.20ha/24 dwellings); relatively low density.
- 5.25 It is worth noting that the London Plan only requires Affordable Housing on sites which have capacity to provide 10 or more homes (Policy 3.13). As such, Case Study

Res1 and a number of sites included at the desk-top review stage of the viability study are below the affordable housing threshold. Without this requirement, viability improves.

- 5.26 In Value Band D, both case study sites are considered to remain viable at 50% affordable housing in the lower land value benchmark. In Value Band E, only lower density schemes (Res1) were viable due to the lower costs associated with these built forms (with and without on-site affordable housing). All other case studies, including Res2, were not viable in Value Band E at 50% affordable housing.
- 5.27 Subsequent to this, an addendum to the London Plan viability study was published in 2018<sup>15</sup> in response to representations received to the 2017 study. This included sensitivity testing of a six new small site case studies, generating between one and twelve new homes. The study concludes that small sites are generally viable across all Value Bands. However, in Value Band D, two of the case study sites were not considered viable if contributions to offsite provision of affordable housing are made. Where this is not required then the sites become viable, one marginally so. In Value Band E, only two of the case study sites were considered viable. Although generating a positive residual value, these were not sufficient to meet estimated benchmarks, but that if lower development costs could be identified, then development may be able to proceed. In short, small site development in Harrow is considered to be deliverable, though is not without challenge.

### **Borough-level value areas**

- 5.28 House prices in the London Borough of Harrow have been analysed to inform consideration of 'deliverability' matters. Comprehensive data is presented in Appendix D.
- 5.29 In the year to December 2019 the total volume of housing transactions in Harrow remained around 57.8% below peak levels of activity recorded in 2007. This partly reflects national and regional trends: London remains 69.5% below the level of transactions twelve years earlier although, across England, a greater degree of recovery has reduced the difference to 43.6%.
- 5.30 Despite the total volume of transactions having declined, the proportion of transactions involving new build property has increased, with the average for the five year period 2016-19 being more than twice that in the preceding five year period<sup>16</sup>. This is indicative of higher levels of development seen in the Borough.
- 5.31 New Build transactions represented almost 25% of total activity in the year to December 2019. This differentiates the Borough from London as a whole, where

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<sup>15</sup> [https://www.london.gov.uk/sites/default/files/london\\_plan\\_viability\\_study\\_addendum\\_report\\_1.pdf](https://www.london.gov.uk/sites/default/files/london_plan_viability_study_addendum_report_1.pdf)

<sup>16</sup> Source: House Price Statistics for Small Area (HPSSAs) Data Sets 6, 7 and 8 available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housepricestatisticsforsmallareas/yearendingjune2017>

new build transactions comprised 14.7% of the total. The high proportion of 'new build' activity in Harrow is a recent trend and although absolute volumes have fluctuated since 1996 this has never represented more than 20% of total transactions.

- 5.32 In terms of house prices, the Borough follows the overall trend in London of demonstrating values for existing and new build dwellings that exceed those in England and the South East. Comparison with London is likely to provide a truer reflection of local market differences, although of course there is variance across London too. The key feature in Harrow is that relatively little difference exists between mean and median prices achieved for different dwelling types (between 0.6% and 9.2%). By comparison, across London, mean prices are consistently significantly above median values (an equivalent range of 24.2% to 38.5%), reflecting geographic difference and small concentrations of very high value properties. This suggests a more homogeneous market in Harrow. Within the Borough, median prices compare relatively closely with those across London but are more substantially below the mean.
- 5.33 Harrow demonstrates a 'negative premium' in average values achieved from new build semi-detached and terraced transactions relative to existing properties and a 'positive premium' for flats. For terraced and semi-detached properties such a negative premium can be observed across data for all value areas. In Harrow, the mean price of 'new build' flats illustrates a premium of 1.7% for Low Value Areas, 11% for Mid Value Areas and 13.5% for Higher Value Areas compared to transactions on existing properties. The negative values between the new build and existing dwellings may be distorted by the limited size of transaction data to December 2019.
- 5.34 Further analysis on property values is set out in Appendix D. Sample data from 2017 to 2020 provides evidence of a slow growing range of activity, compared to the downturn from late 2016. However, the number of completions of new semi-detached or detached properties over this period are more limited and unlikely to provide a representative sample at finer geographies (down to 'Ward' level). Records for flats and terraced properties are far more numerous and allow finer-grained analysis. These dwelling-types are generally more reflective of schemes likely to come forward on the Small Sites identified in this study.
- 5.35 The data for our assessment is provided from individual transaction records from Land Registry 'price paid' data. We have used a period of May 2017 to 1st January 2020 for transactions on 'new build' properties and existing properties. Prices for earlier months have been adjusted for inflation, with historic values adjusted to the median price in the most recent data using the ONS Housing Price Index for

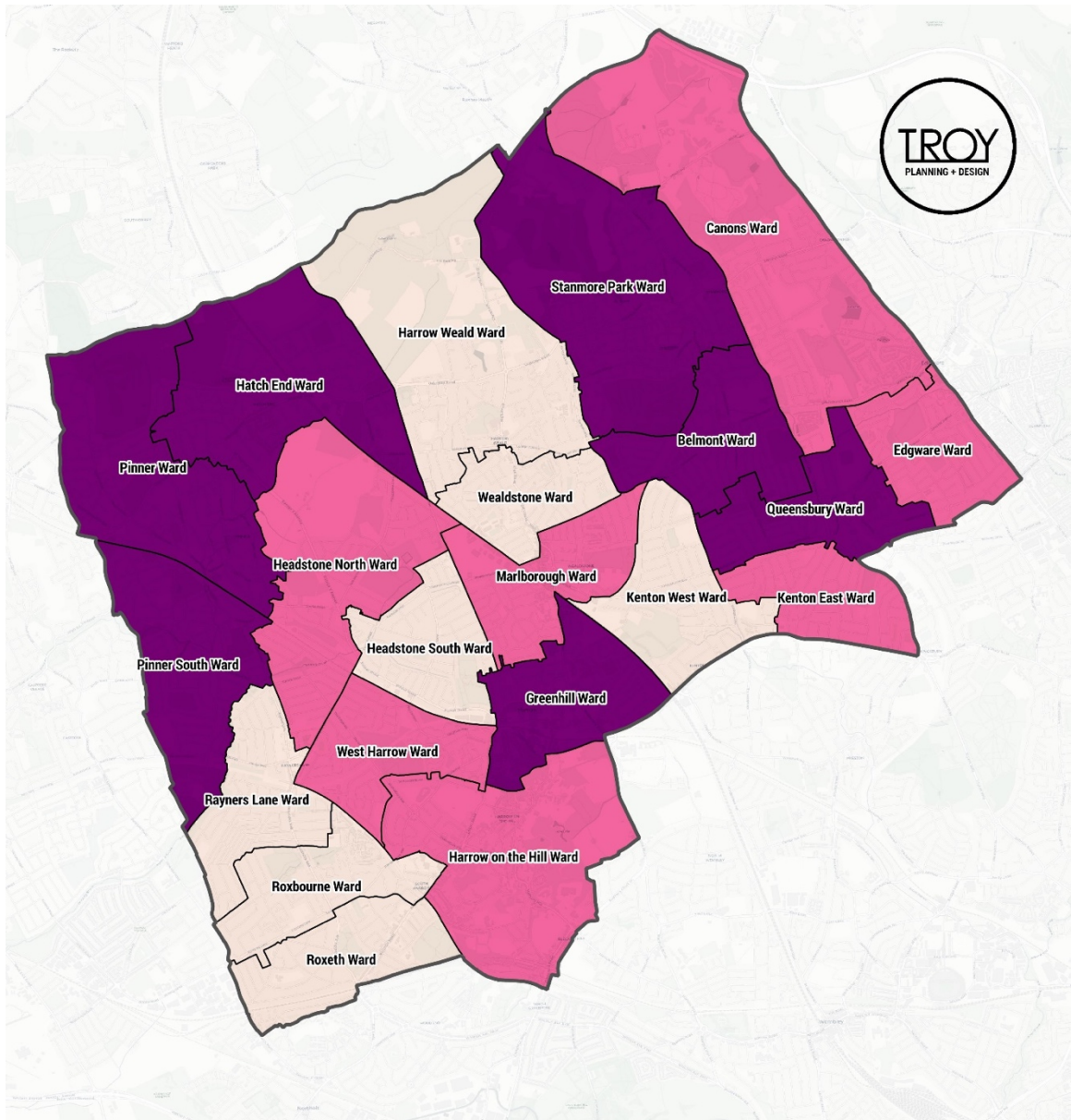
London<sup>17</sup>. Finally, to indicate trends in development type, average floorspace of 'new build' units, and transaction value by £/sqm, we have obtained the MHCLG 'Energy Performance Certificate' to provide median floor area data for a sample of the records aggregated at postcode level.

- 5.36 A series of maps have been prepared showing Average paid price per sqm for each ward by dwelling category (detached, flat, semi-detached, terraced) and property type (existing or new build). These have informed generation of low, medium and high value areas in the borough (Figure 6).

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<sup>17</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/march2020#london-house-prices>





**EXISTING & NEW BUILD**  
**Value areas based on adjusted Q1 2020 price per sqm**

- Low Value
- Mid Value
- High Value

Contains Ordnance Survey data © Crown copyright and database right 2020

Figure 6: Mapping of average price paid property transactions 2017-2020 by ward and value areas for sales of existing and new homes (source: Land Registry Price Paid Transactions)

## Other factors affecting achievability

### Community Infrastructure Levy

- 5.37 The Council adopted a Community Infrastructure Levy (CIL) Charging Schedule in 2013 and applies a borough-wide rate of £110/sqm on residential development (over 100 sqm of gross internal floor space). This rate is indexed each year in accordance with CIL Regulations.
- 5.38 The Mayoral CIL is charged at a rate of £60 per square metre and applies to all new development in Harrow. This rate excludes indexation, which is calculated based on the date planning permission is granted. The rate increased from £35 in April 2019.
- 5.39 National guidance for setting out policy requirements for contributions explains that *“Plans should set out the contributions expected from development...Policy requirements should be clear so that they can be accurately accounted for in the price or the land”*<sup>18</sup>. It is the responsibility of plan makers to engage with stakeholders to create realistic and deliverable policies. In doing so, they can provide certainty for site promoters, allowing them to take into account any costs at an early stage<sup>19</sup>.
- 5.40 Those sites considered to have a reasonable prospect of development should ensure this is within the context of CIL and S106 contributions being adhered to. In terms of the Council’s policies for development management and ensuring standards, the CIL is deliberately set at a level that seeks to ensure that affordable housing can be viably delivered<sup>20</sup>.
- 5.41 Additionally, the council’s policies have been in place for a number of years and should be widely interpreted as part of normal development costs. As such compliance with these requirements in itself is unlikely to be a significant factor in the discounting process. Effects are only likely to be observed in combination with other factors considered in this section such as a decline in land values. There are some new policies in the adopted London Plan, such as the urban greening factor, which may impact upon viability, though this will need to be kept under review as at the time of writing the potential impacts are unknown.

### Affordable Housing and Section 106 Obligations

- 5.42 Planning obligations (S106 agreements) in Harrow are used to secure affordable housing and to mitigate against site specific impacts. The Planning Obligations and Affordable Housing Supplementary Planning Document was adopted in 2013 to provide additional guidance on matters covered in the Harrow Local Plan, which

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<sup>18</sup> NPPG Paragraph: 001 Reference ID: 10-001-20190509

<sup>19</sup> NPPG Paragraph: 002 Reference ID: 10-002-20190509

<sup>20</sup> Harrow Local Plan: Supplementary Planning Document – Planning Obligations and Affordable Housing (2013)

consists of the Core Strategy 2012 and the Development Management Policies 2013.

- 5.43 The SPD primarily supplements the Development Management Policy DM50: Planning Obligations which states that:

*“Planning obligations will be sought on a scheme-by-scheme basis to secure the provision of affordable housing in relation to residential development schemes, and to ensure that development proposals provide or fund improvements to mitigate site specific impacts made necessary by the proposal.*

*Applications that fail to secure an appropriate Planning Obligation to make the proposal acceptable will be refused.”*

- 5.44 Additionally, it supports Core Strategy Policy CS1J around affordable housing requirements which demonstrates the council’s desire to seek the maximum reasonable amount of affordable housing on all development sites with a capacity to provide ten or more units (gross), having regard for:

- the availability of public subsidy;
- the need to promote housing mix and choice in accordance with Policy CS1I;
- the priority afforded to family affordable housing;
- the size and type of affordable housing needed in particular locations;
- the site circumstances and other scheme requirements;
- development viability; and
- the borough wide affordable housing target of 40%.

- 5.45 Core Strategy Policy CS1I asserts that new residential development should result in a mix of housing in terms of type, size and tenure across the Borough and within neighbourhoods. This includes *“the provision of a range of affordable housing tenures including social and affordable rent, as well as intermediate housing products such as shared ownership and shared equity”*.

- 5.46 The Council’s SPD confirms the basis for seeking viability appraisal of non-policy compliant sites and seeks to define the terms for these at each stage of the development process, including pre-application advice. This conforms with the Mayor of London’s ‘Homes for Londoners’ Affordable Housing and Viability Supplementary Planning Guidance (2017)<sup>21</sup>, which states that schemes which provide over 35% of affordable housing without public subsidy may be granted permission but would be subject to an early review, and schemes which are unable to provide 35% affordable housing may be granted permission but would be subject

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<sup>21</sup> [https://www.london.gov.uk/sites/default/files/ah\\_viability\\_spg\\_20170816.pdf](https://www.london.gov.uk/sites/default/files/ah_viability_spg_20170816.pdf)

to both early and late reviews. It is worth noting that an 'Early Stage Viability Review' will only be triggered if an agreed level of progress on implementation is not made within two years of the permission being granted on schemes, and a 'Late Stage Viability Review' will be required on developments securing less than 35% affordable housing at the point at which 75% of units are sold or let.

- 5.47 The Council recognises that a number of factors can impact on the ability of a development to provide the expected proportion, tenure split and mix of affordable housing and comply with the affordable housing criteria<sup>22</sup>. However, the council does not accept inflated land value as justification for departure from requirements<sup>23</sup>.
- 5.48 The alignment with the London Plan with regard to seeking affordable housing obligations only on sites with capacity to provide 10 or more dwellings has significant implications for this study given its focus on small sites. On those sites where capacity does not reach this threshold, viability increases. As such, discounting of these sites is likely unnecessary in the absence of other significant constraints.

## Trends in Small Site Delivery

- 5.49 The West London Small Sites SHLAA<sup>24</sup> interrogated the assumptions underpinning the 'small site' housing targets laid out in the Policy H2 of the Draft London Plan, arguing that *"there is unlikely to be a close match between the achievability of proposed targets and actual patterns of recorded delivery"*.
- 5.50 The GLA's approach for the 'modelled' capacity for development on small sites was initially based on the assumption that there would be a 1% annual change in the proportion of the existing dwelling stock; as such, the target represented a measure of supply as opposed to one of delivery, failing to take into account the barriers that developers and landowners face when attempting to develop a small site.
- 5.51 Through a comprehensive stakeholder engagement exercise including agents, architects, developers, householders and landlords, the West London Small Sites SHLAA presented an overview of how the delivery of small sites actually plays out in West London Boroughs. Barriers cited include:
- The size of the plot, with concerns raised regarding viability and smaller sites being unable to provide a sufficient amount of development. This is inherently tied to the value of the land.

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<sup>22</sup> Harrow Local Plan: Supplementary Planning Document – Planning Obligations and Affordable Housing (2013)

<sup>23</sup> *ibid*

<sup>24</sup> West London Small Sites SHLAA: Part B – Delivery and Development Trends 2018 [ONLINE]. Available at: <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/examination-public-draft-new-london-plan/eip-library>

- Site location in terms of proximity to nearby town/district/neighbourhood centres, the quality of nearby amenities and the availability of public transport were an indicator of development prospects for all development types.
- The impact of CIL and other planning obligations, including affordable housing, with developers stating that they avoid schemes between 11-25 homes which typically represent affordable housing requirements.
- Existing policies on design and development standards.
- The uncertainty of gaining planning permission and the expense of upfront costs related to surveys, viability studies and reports before planning permission is granted.
- The length and complexity of the planning process, with one respondent stating that streamlining and speeding up the planning process would enable more properties to come to the market.
- Unrealistic timeframes for each stage of development process. Once first permission is place, there is a strong sentiment that more time should be allowed before units must be completed.

## Review of recent development schemes

- 5.52 A review of small sites that have come forward in Harrow in recent years has been undertaken and has made use of information from London Borough of Harrow Housing Monitoring Schedules April 2019 – March 2020<sup>25</sup>. Of the 179 new build sites that had either been completed (32 sites), are under construction (60 sites) or have been granted planning permission (87 sites) between April 2019 and March 2020, 83% fall below the 0.25ha threshold to qualify as “small sites”<sup>26</sup>.
- 5.53 This is reflected in longer term patterns, with information in the LDD for the period 2010-2019 indicating that 2,981 new homes had been delivered on small sites in this period, around half of which were a result of change of use, conversions and the prior approvals route (see Table 6). Furthermore, the LDD also contains records of those sites granted planning permission but not yet started as of 2019. Those classified as ‘small sites’ account for more than 90% of all schemes in the pipeline and around 34% of all homes (equating to 1,343 homes on small sites not started compared to a total of 3,953 homes on all sites not started – see Table 7). Of those small sites with permission but not yet started, just under half (47%) comprise changes of use, conversions or schemes under the prior approvals route (Table 8).

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<sup>25</sup> London Borough of Harrow: Housing Monitoring Schedules April 2019 – March 2020

<sup>26</sup> *ibid*

	<b>Total homes</b>	<b>% of total</b>
Total completions	2,981	100%
Of which (i) Changes of use	208	7%
(ii) Conversions	359	12%
(iii) Prior Approvals	903	30.3%
(i) – (iii) combined	1,470	49.3%

Table 6: Completions on Small Sites 2010-2019 recorded in the LDD

<b>Application type</b>	<b>Small Sites (all)</b>		<b>All Sites</b>		<b>Small Sites as % of all sites</b>	
	<b>Schemes</b>	<b>Homes</b>	<b>Schemes</b>	<b>Homes</b>	<b>Schemes</b>	<b>Homes</b>
Detailed / Reserved matters	-	-	3	1,000	-	-
Full	227	998	237	1,418	95.8%	70.4%
Outline	2	18	6	1,208	33.3%	1.5%
Prior Approval	18	327	18	327	100%	100%
Total	247	1,343	264	3,953	93.6%	34%

Table 7: Total development schemes and homes on sites recorded in the LDD as not having started as of 2019

	<b>Total homes</b>	<b>% of total</b>
Total homes on Small Sites not started	1,343	100%
Of which (i) Changes of use	40	2.8%
(ii) Conversions	270	20.1%
(iii) Prior Approvals	327	24.4%
(i) – (iii) combined	637	47.4%

Table 8: Breakdown of small site development type on those sites recorded in the LDD as not having started as of 2019

- 5.54 This indicates that activity is taking place on Small sites and that it forms an important source of supply. It indicates that suitable sites in Harrow are largely considered developable and achievable by landowners and developers.
- 5.55 However, it should be noted that those sites granted planning permission are not inherently indicative of deliverability given the potential for sites to become unviable during the development process. This was highlighted in the stakeholder engagement exercise undertaken as part of the West London Small Sites SHLAA (see above).
- 5.56 Of the 179 small sites in the Monitoring Report, 81% fell under the threshold for delivery of affordable housing (10 homes). This goes some way to explaining why small sites have proved deliverable in Harrow; without having to meet the affordable housing obligations, developers are finding greater levels of viability. Again, this aligns with stakeholder comments during the West London Small Sites SHLAA engagement process, with developers generally avoiding sites with potential to accommodate between 11 and 25 units.
- 5.57 To establish a greater understanding of the viability of sites that did not fall below the affordable housing threshold, a selection of development schemes across Harrow were reviewed. Sites reviewed were those which closely align with the typical range of sites identified in this study, including, for example, vacant and under-utilised sites, car parks and garage courts, gap and infill sites.
- 5.58 The review is summarised in Appendix E. The headline finding from this is that the majority of schemes failed to meet the affordable housing requirements set out in the London Plan (Policy 3.12) and the Harrow Local Plan Policy CS1J, even in the highest value areas. Indeed, other than one of the reviewed sites which was a Council-led housing scheme, no other scheme provided more than 15% of affordable housing, falling well short of the 50% threshold in the London Plan.
- 5.59 However, the impact of this on the delivery of Small Sites is perhaps minimal, given that failure to meet the affordable housing requirements has not prevented schemes being granted permission. Indeed, many of the schemes provided a viability assessment as part of the application material and, through this, demonstrated that the proposed scheme provides the *'maximum reasonable amount of affordable housing'*. Meanwhile, CIL payments were met in full by all of the reviewed schemes.

# 6. Discounting the supply

## Land values and typologies

- 6.1 The achievability of development on a range of site typologies in different value areas in Harrow has been tested to generate a 'discount' rate to be applied to the estimates of potential. This made use of the Argus development model<sup>27</sup> as well as the outcomes of the testing undertaken as part of the London Plan viability study (2017) and subsequent addendum to that (2018). The approach, assumptions built into the model and outcomes are presented in Appendix F.
- 6.2 In summary, use of the Argus Development Model ratifies the findings outlined in the previous section of the report and suggest that:
- Schemes which involve the development of small housing types, including flats, struggle to demonstrate that they are viable and will often require affordable housing requirements to be negotiated down. This is reflected in recent scheme delivery across Harrow.
  - This is particularly emphasised on those schemes which are estimated to have a site capacity just over the ten-unit trigger for affordable housing provision. This is borne out by the research undertaken for the West London Small Sites SHLAA<sup>28</sup>, with developers indicating they tend to avoid bringing forward sites with potential for between 11-25 units because of the impact on viability.
  - When the mix of housing is rebalanced on these smaller sites, and includes larger family homes, schemes are more likely to be viable. However, delivering a greater number of family homes will inevitably reduce the densities that can be delivered and thus limit the ability to meet housing requirements. But, delivery of lower density schemes is more reflective of much of the built form and residential character of Harrow. There is thus a tension between viability, density, character and housing requirements.
  - However, this is not reflected in schemes that have been coming forward. Despite the above, and unless a buyer has equity, larger homes are unaffordable to many people in Harrow. Analysis of the average annual income in Harrow assessed against average price per transaction (based on Land Registry Paid Price data for existing dwellings, as presented in Appendix D) of residential dwellings within high, mid and low value areas indicate there to be a significant affordability gap. The average annual income across Harrow is

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<sup>27</sup> A software package used to test the financial viability of potential development projects

<sup>28</sup> [https://www.london.gov.uk/sites/default/files/ad\\_15\\_west\\_london\\_small\\_sites\\_shlaa\\_non\\_technical\\_summary.pdf](https://www.london.gov.uk/sites/default/files/ad_15_west_london_small_sites_shlaa_non_technical_summary.pdf)



£57,586.67<sup>29</sup> and the lower quartile average is £15,240<sup>30 31</sup>. If the mortgage value of a property is assessed as being 90% of the transaction price and mortgage financing offered at 3.5 times household income<sup>32</sup>, then it is only those flats located within lower value areas that are considered affordable and, even then, only where household income is considerably above the average (£74,448.26). Even if a mortgage of 4.5 times household income is offered properties remain out of reach of many, with only those flats in low value areas being affordable to those on average incomes (see Table 9) The delivery of affordable housing is thus crucial across Harrow, but this has a significant impact on the viability of new housing.

- Mixed-use schemes appear to be viable as part of higher density residential developments, where residential units far exceed the ten-unit affordable housing requirement. Where sites are smaller, or densities lower, and the estimate of capacity closer to the affordable housing requirement, then sites become unviable, or marginal. This is reflected in recent research that suggests that the economic uncertainty resulting from Covid is likely to impact on mixed-use schemes, noting that *'the financial resilience of developers will be impacted as will the ability of some schemes to come forward viably'*<sup>33</sup>.

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<sup>29</sup> ONS Income Estimates for small areas, England and Wales: financial year ending 2018: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2018>

<sup>30</sup> ONS Earnings and hours worked, place of residence by local authority: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/placeofresidencebylocalauthorityshetable8>

<sup>31</sup> The Harrow Planning Obligations SPG (2013) indicates a range of target incomes and affordability levels for intermediate housing. For the recent Canons Park proposal these were updated and a figure of £49,000 used. For the purposes of this report, and given the time since the Planning Obligations SPD was published, incomes are based on ONS data.

<sup>32</sup> An income multiple of 3.5 is used by The Financial Conduct Authority (FCA) as the standard assumption for single mortgage applicants. Higher multipliers are available, but it is good practice to be conservative

<sup>33</sup> Lichfields, December 2020, Mind the Gap: Is land supply on track to meet London's new housing targets?

House type	Average price per transaction	Mortgage Value (90% of price)	Income required (mortgage value/3.5)	Income required (mortgage value/4.5)	Affordable on average household income £57,586.67	Affordable on LQ earnings single earner £15,240	Affordable on LQ earnings two earners £30,480
High value areas							
Detached	£1,053,811	£948,429.90	£270,979.97	£210,762.20	No	No	No
Flats	£369,922	£332,929.80	£95,122.80	£73,984.40	No	No	No
Semi-Detached	£649,818	£584,836.20	£167,096.06	£129,963.60	No	No	No
Terraced	£561,120	£505,008.00	£144,288.00	£112,224.00	No	No	No
Mid value areas							
Detached	£1,018,470	£916,623.00	£261,892.29	£203,694.00	No	No	No
Flats	£339,103	£305,192.70	£87,197.91	£67,820.60	No	No	No
Semi-Detached	£593,749	£534,374.10	£152,678.31	£118,749.80	No	No	No
Terraced	£499,436	£449,492.40	£128,426.40	£99,887.20	No	No	No
Low value areas							
Detached	£766,922	£690,229.80	£197,208.51	£153,384.40	No	No	No
Flats	£289,521	£260,568.90	£74,448.26	£57,904.20	Marginal	No	No
Semi-Detached	£539,514	£485,562.60	£138,732.17	£107,902.80	No	No	No
Terraced	£484,033	£435,629.70	£124,465.63	£96,806.60	No	No	No

Table 9: Affordability of homes in Harrow based on household incomes and mortgage values

Notes:

Transactions based on Land Registry Paid Price data for existing dwellings (see Appendix D)

Incomes based on ONS data

Affordability based purely on average annual incomes, excluding any equity that a purchaser may have (e.g.: from the sale of another property)

6.3 Alongside the testing of sites the case studies prepared for the London Plan Viability Study and Addendum to this have been reviewed. The outcomes of this suggest that, for the broad typologies of site identified:

- 'Big-box': Schemes are generally considered to be viable across all value areas in Harrow, particularly where site coverage is relatively low, thus reducing existing use values and demolition costs. A discount rate of 10% has been applied to this typology to allow for an element of non-delivery, though based on the review outlined above, it is anticipated that such sites are deliverable.
- Urban Core: The review suggests that schemes in these areas are generally viable in high and mid value areas in Harrow, but less so in low value areas. In higher value areas, the review suggests that schemes are able to support delivery of affordable housing at 50%, but that, in mid value areas this varies between 35%-50%. To account for this, a 10% discount rate has been applied across high and mid-value areas to account for non-delivery, with a 50% discount applied in low value areas to reflect the findings which suggests that schemes are not viable, or where they are, are marginal.
- Suburban: The review suggests that where such schemes involve the redevelopment of an existing use this may bring challenges in terms of viability, irrespective of whether the threshold for affordable housing is triggered. However, where redevelopment or re-provision of other uses does not form part of a site or scheme, then viability increases, although there remain challenges, particularly in lower value areas. To account for this, a 10% discount rate has been applied across high value areas to account for non-delivery, 30% in mid value areas and 50% discount in low value areas.
- Backland: The review suggests that, in high value areas, schemes are viable with provision of affordable housing at a rate of 50%. In mid and lower value areas the proportion of affordable housing would likely need to be reduced to support delivery. Where some form of demolition or re-provision of uses is required on site as part of a scheme then schemes become more marginal, particularly so in lower value areas, even where the requirement for affordable housing is reduced. To account for this, a 10% discount rate has been applied across high value areas to account for non-delivery, 30% in mid value areas and 50% discount in low value areas.
- Open land: The review suggest that these sites are generally viable across all value areas in Harrow, particularly given lower demolition costs involved. However, viability becomes more marginal in low value areas. To account for this, a 10% discount rate has been applied across high and mid-value areas to account for non-delivery, with a 30% discount applied in low value areas.

6.4 The discount rates applied to site typologies and the impact of this on estimates of capacity are presented in Table 10 and Table 11 to Table 15 for each of the

typologies<sup>34</sup>. Based on the findings of the viability work they seek to present a more realistic picture of the level of development that might be more likely in the different value areas. The level of discount applied also recognises wider delivery challenges reported elsewhere and commented upon in the following paragraphs. Application of the discounting rates results in the estimate of development potential from Small Sites reducing to between 884 to 1,491 new homes. A different approach to discounting the potential from car parks and garage courts has been taken as set out in the following section and so not included here.

Typology	Discount applied by value area		
	Low	Medium	High
Big-box	10%	10%	10%
Urban Core	50%	10%	10%
Suburban	50%	30%	10%
Backland	50%	30%	10%
Open land	30%	10%	10%

Table 10: Discount rates generated for application to estimates of capacity, broken down by broad site typology and value area

- 6.5 The discounting rates are reflective of a wider body of research into the delivery of new homes across London. The Outer London Commission<sup>35</sup> notes that in the eight years to 2014, completions on small sites fell by half. The London Chamber of Commerce and Industry suggest this is linked to access to finance, the availability and cost of land. These are cited as being particular barriers to SME builders participating in the market and whose role in bringing forward sites for development has diminished (from being responsible for almost 40% of all new homes built in the UK in the 1990s to just 12.5% by 2017).
- 6.6 The discounting rates also recognise the link between the complexity, cost and overall length of the planning and development process, and sites not being delivered. The aforementioned Outer London Commission report drew on the LDD to show that London boroughs consistently grant planning permission for more than double the number of homes than are actually built. Research by Savills<sup>36</sup> raised concern about the extent to which planning permissions are being secured to

<sup>34</sup> Previous best practice guidance on the production of Urban Capacity Studies (DETR, 2000, Tapping the Potential: Best practice in assessing urban housing capacity) set out an approach to discounting, noting that the aim of the process is 'to identify what is likely to be realistically achievable'. This drew on case study analysis and found that in many instances, estimates of capacity had been discounted by up to 50% or 60%.

<sup>35</sup> Outer London Commission, June 2015, Removing Barriers to Housing Delivery

<sup>36</sup> Savills, February 2016, Market in Minutes: UK Residential Development

increase the value of the sites. Similarly, research by Molior<sup>37</sup> indicates that, of those sites where planning permissions has been applied for by promoters and investors (as opposed to developers) and successfully granted, 45% are not 'designed' for delivery, having one or more issues that make them difficult, or impossible, to build. There are also challenges in bringing forward public sector land for development: progress reports on the Government's 'Public Land for Housing Programme' indicate significant delays to the delivery of new homes.

- 6.7 Furthermore, Government research<sup>38</sup> has found that there can be a significant gap between sites being allocated, granted permission and work on site commencing. The dataset presented, which was for the country as a whole, showed that in September 2015, 620,000 units had either detailed permission or reserved matters granted, however 305,000 of these projects were yet to make a start (49%). The data also indicated that there is a gap of around 30-40% between the number of permissions given for housing and starts on site within a year. Of the total amount of permissions granted, 10-20% do not materialise into a start, and on 15-20% of the sites re-permission is sought.
- 6.8 In Harrow, research undertaken for the West London Small Sites SHLAA found that the proportion of lapsed schemes varies by development type, being in the range of 5.3% for extensions but as high as 38.8% for conversions and 40.1% for new builds<sup>39</sup>. Research<sup>40</sup> also indicates that calculations of housing land supply in Harrow have previously built in an 'optimum bias' of 49% (i.e: assessments of supply have been over estimated). A cautious approach to assessment of potential thus needs taking, as reflected in the discounting rates applied.
- 6.9 The discounting rates applied in Table 10 are broadly reflective of this, making some allowance for non-delivery in all instances but increasing this where the review of site case studies has indicated there may be challenges to delivery.
- 6.10 Although this study has not followed the approach used in the London Plan SHLAA, it is helpful to note that a set of discounting rates were also used in that, albeit for larger sites and for broad constraints not considered in this Small Sites Study (land ownership, infrastructure and contamination), though which do have an impact on deliverability. The constraints are categorised in the SHLAA as low, medium and high. Different levels of probability are applied to these. Where the constraint is considered a low impact, there is no reduction to the probability of development. However, as constraints increase, so the probability of development is reduced by 10 – 30%. The level of probability across the three categories and level of constraint

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<sup>37</sup> Molior for the GLA, December 2012, Barriers to housing delivery: What are the market-perceived barriers to residential development in London?

<sup>38</sup> See DCLG presentation to HBF Planning Conference, 2015.

<sup>39</sup> West London Alliance, November 2018, West London Small Sites SHLAA, Part B: Annex

<sup>40</sup> See research by Lichfields, December 2020, Main the Gap: Is land supply on track to meet London's new housing targets?

is combined. So if a site is categorised as ‘high’ or medium’ in more than one of the categories the probability of development can be reduced by 40 – 60%.

<b>Big-box</b>	<b>Estimate of potential based on application of average densities generated through design case studies</b>	<b>Estimate of potential based on London Plan density matrix (mid-point)</b>
Total potential housing capacity of all suitable sites	267	500
Potential housing capacity on suitable sites in low value areas after discount applied	84	114
Potential housing capacity on suitable sites in mid value areas after discount applied	95	234
Potential housing capacity on suitable sites in high value areas after discount applied	61	102
Total discounted estimate	240	450

*Table 11: Estimate of development potential from Big-box site typology following application of discount rates*

<b>Urban Core</b>	<b>Estimate of potential based on application of average densities generated through design case studies</b>	<b>Estimate of potential based on London Plan density matrix (mid-point)</b>
Total potential housing capacity of all suitable sites	491	650
Potential housing capacity on suitable sites in low value areas after discount applied	114	100
Potential housing capacity on suitable sites in mid value areas after discount applied	166	327
Potential housing capacity on suitable sites in high value areas after discount applied	71	77
Total discounted estimate	351	504

*Table 12: Estimate of development potential from Urban Core site typology following application of discount rates*

<b>Suburban</b>	<b>Estimate of potential based on application of average densities generated through design case studies</b>	<b>Estimate of potential based on London Plan density matrix (mid-point)</b>
Total potential housing capacity of all suitable sites	143	303
Potential housing capacity on suitable sites in low value areas after discount applied	19	54
Potential housing capacity on suitable sites in mid value areas after discount applied	8	22
Potential housing capacity on suitable sites in high value areas after discount applied	84	147
Total discounted estimate	111	223

*Table 13: Estimate of development potential from Suburban site typology following application of discount rates*

<b>Backland</b>	<b>Estimate of potential based on application of average densities generated through design case studies</b>	<b>Estimate of potential based on London Plan density matrix (mid-point)</b>
Total potential housing capacity of all suitable sites	116	272
Potential housing capacity on suitable sites in low value areas after discount applied	15	31
Potential housing capacity on suitable sites in mid value areas after discount applied	40	90
Potential housing capacity on suitable sites in high value areas after discount applied	26	74
Total discounted estimate	81	195

Table 14: Estimate of development potential from Backland site typology following application of discount rates

<b>Open Land</b>	<b>Estimate of potential based on application of average densities generated through design case studies</b>	<b>Estimate of potential based on London Plan density matrix (mid-point)</b>
Total potential housing capacity of all suitable sites	118	138
Potential housing capacity on suitable sites in low value areas after discount applied	19	16
Potential housing capacity on suitable sites in mid value areas after discount applied	53	60
Potential housing capacity on suitable sites in high value areas after discount applied	29	43
Total discounted estimate	101	119

Table 15: Estimate of development potential from Open Land site typology following application of discount rates



## Car parks and garage courts

- 6.11 Car parks and garage courts are considered separate to other site typologies in the discounting stage. Although viability will be a factor in their development, the potential availability of such sites and their importance to town centre economies warrants a different approach to discounting.
- 6.12 There are numerous areas of surface car parking in and around the town, district and local centres across the Borough, as well as many garage courts associated with areas of housing.
- 6.13 Information relating to the ownership and primary function of those car parks considered potentially suitable for development is shown in Figure 7 and Figure 8. These show that nearly a third of the sites are publicly owned. Of these, 67% are classified as 'ancillary to primary use', whereby the site provides parking spaces to support the primary function of a nearby building or facility. Often this includes parking spaces for healthcare facilities, schools, or retail units, and where it may be possible to rationalise these. The remaining 33% comprise station car parks (23%) and public car parks (10%).

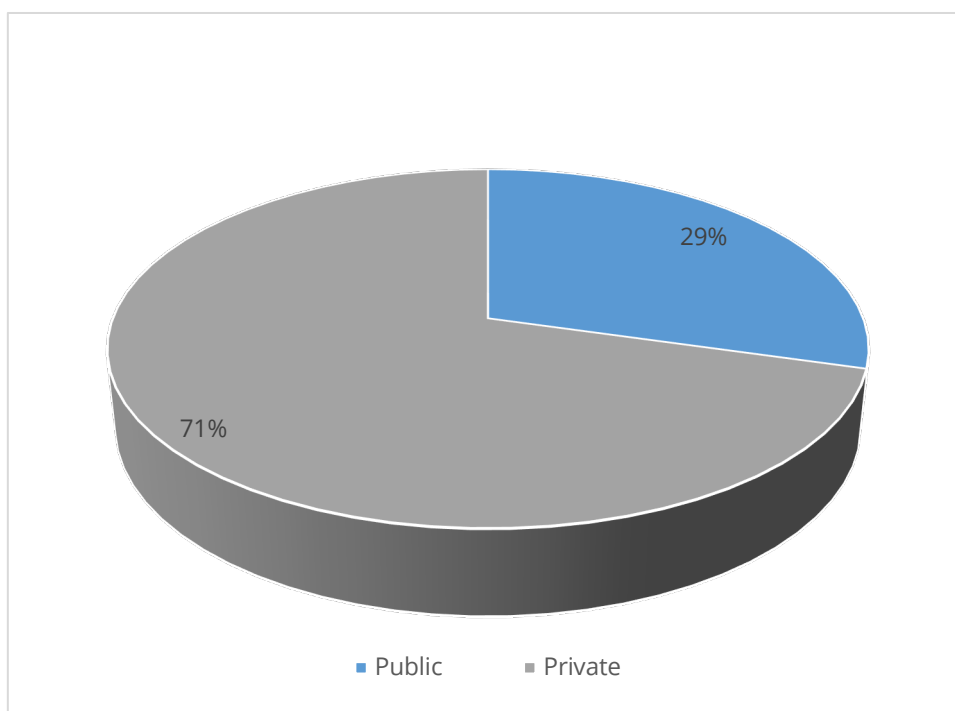


Figure 7: Breakdown of land ownership of car parks identified in the study and considered to be potentially suitable for development

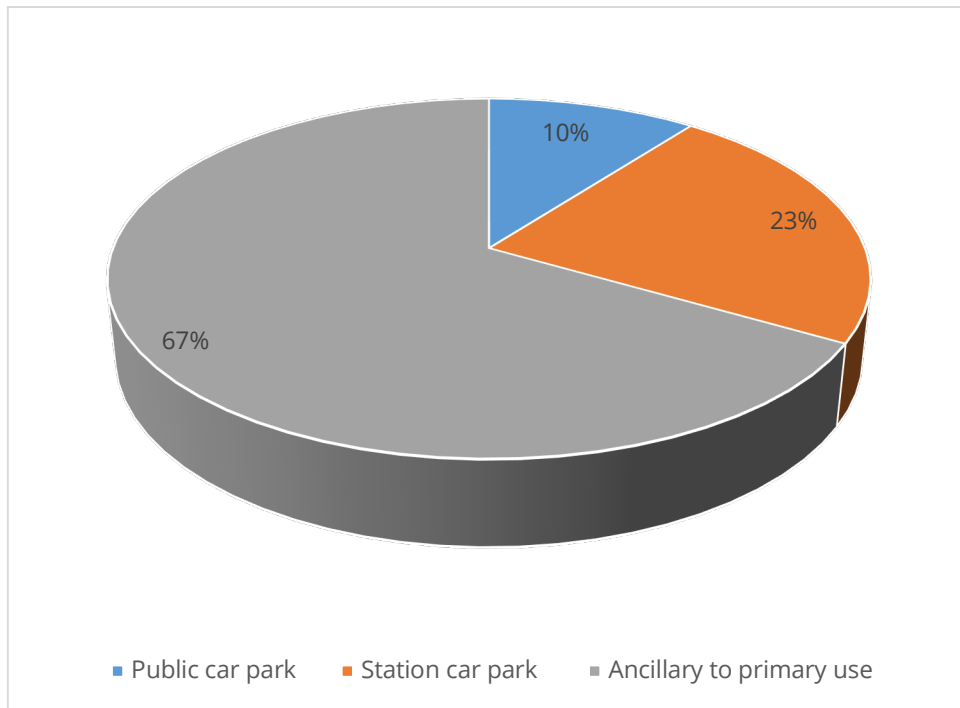


Figure 8: Primary function of car parks in public ownership considered potentially suitable for development

- 6.14 Whilst car parks and garage courts have been identified and considered through the study, and, in isolation, represent suitable and reasonable prospects for development, further consideration is required, reflecting matters such as utilisation and, in the case of car parking, importance to local centre economies. An approach to discounting these sources of supply has been taken, acknowledging that some sites may come forward and others not, but that in the absence of more detailed information on a site by site basis it is not possible to definitively identify which may be available.
- 6.15 This is set in the context of a new wave of research that has been published over the past few years, investigating land supply within London. In 2017 for example, research by JLL<sup>41</sup> reported that the surging demand for urban living coupled with dwindling car ownership rates in built-up areas provides impetus for the conversion of inner-city car parks to residential homes. This research highlighted that up to 75,000 homes could be built on existing car parks within London.
- 6.16 More recently, Knight Frank, on behalf of MHCLG (now DLUHC), found that the total area of land occupied by surface car parking across the country could, theoretically, accommodate 2.1 million new homes<sup>42</sup>. The research recognised that not all would be suitable for new housing and instead focused in on just 15% of public-sector

<sup>41</sup> <https://www.jll.co.uk/en/trends-and-insights/cities/can-todays-car-parks-become-tomorrows-housing-developments>

<sup>42</sup> <https://www.knightfrank.co.uk/research/article/2020-07-15-government-owned-car-parks-could-hold-the-key-to-110000-new-homes>

owned surface car parks and estimated that these have the potential to accommodate more than 110,000 new homes. The car parks selected were those in closest proximity to good public transport, retaining those otherwise considered important to the operation of town centres and high streets. Across Greater London, the research noted that 40% of all surface car parking is owned by the public sector, much of which is in an area benefitting from a PTAL rating of 3 or greater, thus having good public transport access.

- 6.17 Furthermore, Transport for London's 'Residential Car Parking' study, which forms evidence to the London Plan<sup>43</sup>, notes that car parking is an *"inefficient use of space"*, of which, *"over time, providing more residential car parking than is needed could use up a significant proportion of available land that cater for housing"*. The Report also states that *"in the most densely populated areas less than 10% of people travel to work by car, whereas more than 70% do so in the least densely populated areas"* and that *"three quarters of existing car trips could be made by walking, cycling or public transport"*. It thus suggests that more efficient use of land could be made. This aligns with studies that suggest personal car ownership could decline over the next ten to fifteen years, particularly as new technologies and other mobility choices, such as the concept of 'mobility as a service' are developed<sup>44</sup>.
- 6.18 There is current development activity on car parks and garage court sites across Harrow. Indeed, the Harrow Local Plan Site Allocations document identifies several surface car parks across the borough for development. Applications for housing on a number of station car parks have recently been withdrawn following refusal on the grounds of design and character, although the principle of development has been accepted. Such sites, including those in public sector land ownership, are important to help meeting the Mayor of London's affordable housing targets.
- 6.19 These examples align with Small Sites policy in the London Plan which states that *"boroughs should pro-actively support well-designed new homes on small sites [...] in order to [...] diversify the sources, locations, type and mix of housing supply"*. To help deliver such sites, the GLA has established the Small Sites Builders Programme pilot scheme<sup>45</sup> as a means of reducing the banking of former public sites and giving small builders greater leverage to procure and purchase such sites. However, as noted earlier in this chapter and as reported elsewhere<sup>46</sup>, there remain numerous challenges in bringing small sites forward.

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<sup>43</sup> [https://www.london.gov.uk/sites/default/files/london\\_plan\\_evidence\\_base\\_-\\_residential\\_car\\_parking.pdf](https://www.london.gov.uk/sites/default/files/london_plan_evidence_base_-_residential_car_parking.pdf)

<sup>44</sup> The 2017 update to the DfT 'estimation of national car ownership model' found that, in London, the rate of 'zero-car' ownership has been increasing. This is also reflected in research by the Commission on Travel Demand, which also points to falling car ownership and use amongst younger age groups across London (see: <http://www.demand.ac.uk/commission-on-travel-demand/>)

<sup>45</sup> <https://www.london.gov.uk/what-we-do/housing-and-land/land-and-development/small-sites/making-small-sites-available-small-builders>

<sup>46</sup> See, for example: [https://lichfields.uk/media/6180/small-sites-unlocking-housing-delivery\\_sep-2020.pdf](https://lichfields.uk/media/6180/small-sites-unlocking-housing-delivery_sep-2020.pdf)

- 6.20 In light of the above, it is important to reflect realistic assumptions relating to the deliverable supply of car parks and garage courts in Harrow. Further consideration should therefore be given to assessing car park and garage court utilisation over time, and broader consideration of the role of car parking in town centre vibrancy and vitality, as well as modal shift. In the meantime, and in the absence of such information, or a wider strategy for rationalisation and release of such land, a discount rate has been applied to this supply.
- 6.21 Two approaches have been taken. The first utilises guidance and research underpinning best practice guidance on urban capacity studies prepared by Urbed<sup>47</sup>. Whilst dated, this provides a good basis for the discounting calculation and reflects similar rates used in more recent research cited above. A range is presented when applying the discount rates. Taking a mid-point between these would suggest that the development potential from these sources is reduced from around 2,453 homes to a more conservative 576. This is shown in Table 16.
- 6.22 The second considers changes to travel patterns and behaviours that may take place over the next ten to twenty years, reflecting aspirations to achieve a mode shift away from the car to other forms of movement. The GLA, through the London Plan and Mayor's Transport Strategy, note that, within outer London, 60% of all journeys (which start and finish in Outer London) are currently made by foot, bicycle or public transport. The aspiration is that, by 2041, this mode share will have increased to 75%. Amending the discounting rates to reflect this (i.e.: reducing by 15% to reflect mode shift targets) would see the potential for new development from this source of capacity increasing (that is, as fewer trips are made by car, so the need for car parking spaces is reduced, and thus land can be used for other purposes). Under this scenario, the potential from these sources is reduced from around 2,453 homes to 945 (See Table 17)<sup>48</sup>.
- 6.23 The two approaches result in a range of potential between 945 and 576 homes. A mid-point between this is 760 homes. Taking a mid-point allows for mode shift to take place over time, with potentially more sites coming forward in the longer term.

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<sup>47</sup> Urbed for DETR, 2000, Tapping the Potential: Best practice in assessing urban housing capacity

<sup>48</sup> It is noted that there is currently a low up-take in cycling across Harrow which, coupled with limited infrastructure and resistance to loss of car parking provision, may indicate that the mode shift targets aspired to by the GLA may be difficult to achieve. The use of the range between the two methods outlined allows for this.

	<b>Development potential from suitable sites</b> (based on mid-point between application of design case studies and London Plan density matrix)	<b>Reduced potential based on a discount rate of 70% for car parks and 65% for garage courts</b>	<b>Reduced potential based on a discount rate of 85% for both car parks and garage courts</b>	<b>Mid-point estimate of development potential based on discounting rates</b>
Car Parks	1,466	440	220	330
Garage Courts	987	345	148	246
<b>Total</b>	<b>2,453</b>	<b>785</b>	<b>368</b>	<b>576</b>

Table 16: Estimate of development potential from car parks and garage courts following application of high discounting rates

	<b>Development potential from suitable sites</b> (based on mid-point between application of design case studies and London Plan density matrix)	<b>Reduced potential based on a discount rate of 55% for car parks and 50% for garage courts</b>	<b>Reduced potential based on a discount rate of 70% for both car parks and garage courts</b>	<b>Mid-point estimate of development potential based on discounting rates</b>
Car Parks	1,466	660	440	550
Garage Courts	987	494	296	395
<b>Total</b>	<b>2,453</b>	<b>1,154</b>	<b>736</b>	<b>945</b>

Table 17: Estimate of development potential from car parks and garage courts following application of lower discounting rates reflecting mode-shift targets and changing travel behaviours

## Summary of discounting stage

6.24 The purpose of the discounting stage is to factor in the implications of delivery and to revise estimates of potential accordingly. This has been undertaken on a typology basis. The results of the discounting stage are presented in Table 18 and indicate a range of potential between 1,460 and 2,436 new homes.

Typology	Estimate of potential		
	Low	High	Mid-point
Big-box	240	450	345
Urban Core	351	504	427
Suburban	111	223	167
Backland	81	195	138
Open Land	101	119	110
Car Parks	330	550	440
Garages	246	395	320
Discounted total	1,460	2,436	1,947

*Table 18: Revised estimate of development potential, broken down by broad typology, following discounting process*

# 7. Windfall Allowance

## Past completions and estimated allowance

- 7.1 The previous sections outlined in the report sought to identify small sites above five units and assess their potential housing capacity based on a design led approach based on site typologies as well as use of the London Plan density matrix. The section of the report concentrates on the capacity of windfall sites below five units (being those that are difficult to identify) based on past trends<sup>49</sup>.
- 7.2 The NPPF defines windfall as *'sites not specifically identified in the development plan'*. Para. 68(c) of the NPPF states that *"small and medium sized sites can make an important contribution to meeting the housing requirement of an area and are often built-out relatively quickly. [...] Local authorities should support the development of windfall sites through their policies and decisions – giving great weight to the benefits of using suitable sites within existing settlements for homes"*. For the purposes of this part of the study, a smaller windfall site is defined as that which is both less than 0.25 hectares in size and which has a development capacity of fewer than five units.
- 7.3 The NPPG<sup>50</sup> confirms that *"a windfall allowance may be justified in the anticipated supply if a local planning authority has compelling evidence"*, as per para. 70 of the NPPF. For clarity, para.70 of the NPPF states that *"any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends"*.
- 7.4 With the above in mind, the London Development Database (LDD) contains records of 716 scheme completions on smaller windfall type sites of fewer than five dwellings in Harrow over the past decade (2010-2019). Together these have contributed 1,403 new dwellings.
- 7.5 There has been some flux in the rate of completions over the past decade. As highlighted in Figure 9 and Table 19, there appears to have been a post-recession dip in completions from a high point of circa 170 completions in 2010, dipping to almost half that the following year. The data shows a slow recovery between 2013 and 2015, since when the rate of annual completions has remained fairly consistent (between 150 – 175 per year).

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<sup>49</sup> It should be noted that the, at the time of writing, no decision has been made by the Council as to whether small sites will be allocated within the future Local Plan. The windfall allowance that will be included in the Local Plan and five year housing land supply figures may therefore comprise small sites with a capacity both above and below five dwellings.

<sup>50</sup> <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment#method--stage-3-windfall-assessment-where-justified> (Para.: 023 Reference ID: 3-023-20190722, Revision Date: 22 07 2019)

7.6 Compared with large sites, completions on smaller windfall type sites of fewer than five dwellings are consistently an important source of supply, contributing around a fifth of all new completions on an annual basis.

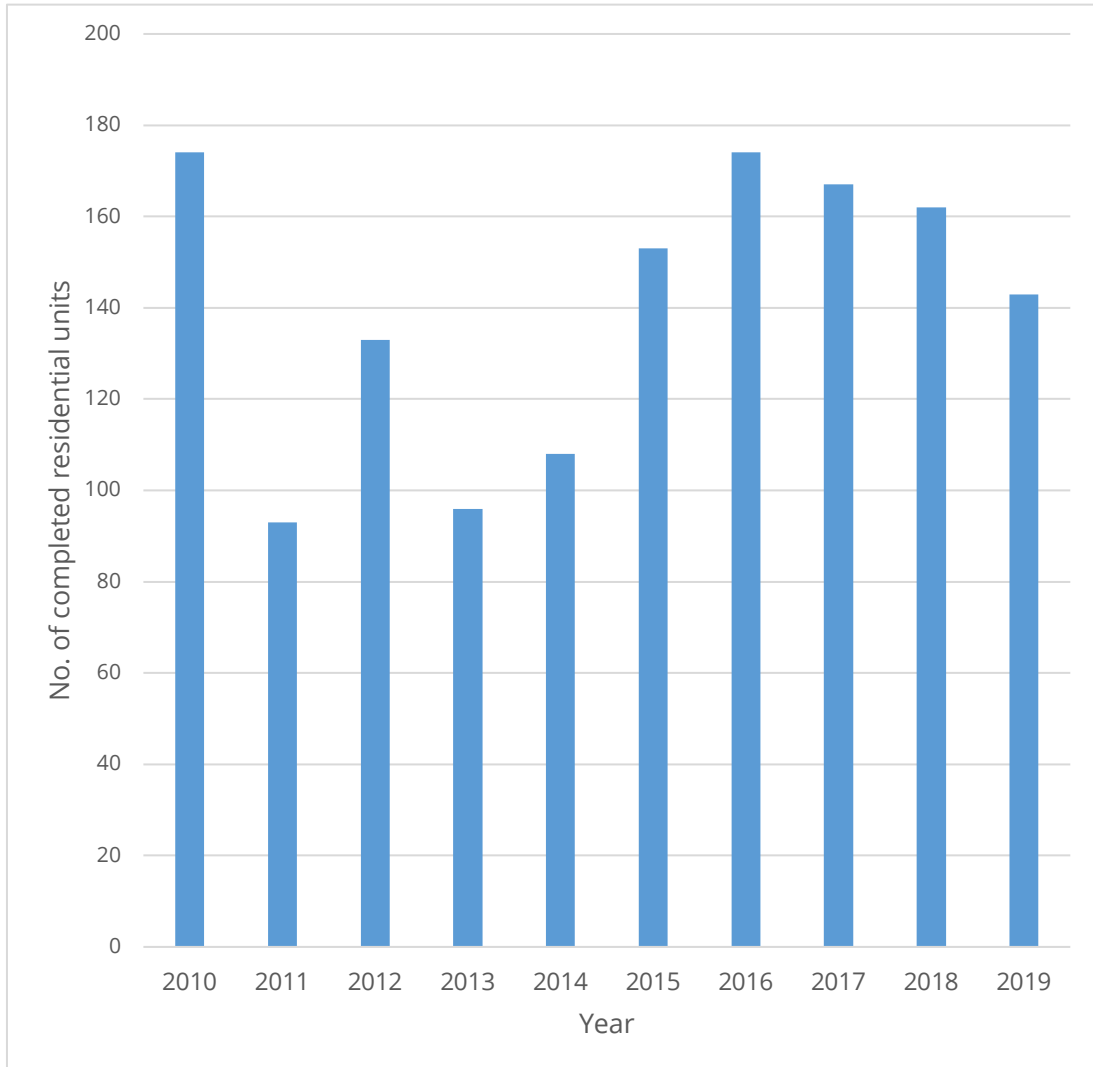


Figure 9: Dwelling completions on sites of fewer than five new homes over the ten year period 2010-2019. Annual completions are presented in Table 15.



<b>Year</b>	<b>Completions on Small sites (&lt; than five units per site)</b>	<b>Completions on larger sites</b>	<b>Total completions</b>	<b>Completions on small sites (&lt;than five units per site) as a % of total completions</b>
2010	174	639	813	21.4%
2011	93	85	178	52.2%
2012	133	531	664	20.0%
2013	96	324	420	22.9%
2014	108	177	285	37.9%
2015	153	1,018	1,171	13.1%
2016	174	450	624	27.9%
2017	167	1,198	1,365	12.2%
2018	162	637	799	20.3%
2019	143	848	991	14.4%
<b>Total</b>	<b>1,403</b>	<b>5,907</b>	<b>7,310</b>	<b>-</b>

*Table 19: Comparison of all small and larger site completions for the period 2010-2019*

7.7 Of the 1,403 residential units delivered on smaller windfall type sites in Harrow over the past decade, 28 units were classified as ‘residential conversions’ and 95 units were delivered through ‘redevelopment only’ (whereby the new development simply replaces the former number of units on that site). In both cases, the resultant development did not lead to a net increase in the number of new residential units and therefore, for the purposes of this analysis, these schemes have been discounted. With the above in mind, 1,288 residential units were deemed to have been delivered through development which resulted in a net increase in the number of homes.

- 7.8 The LDD data which has been drawn upon for this analysis is in broad alignment with those figures included as part of the Housing Delivery Test (2019) calculations, though with some variation. The Housing Delivery test notes that 2,571 homes were delivered over the period 2016-2019, with 557 homes delivered in 2016/2017, 911 homes delivered in 2017/2018 and 1,103 homes delivered in 2018/2019. The figures reflect net additional development and draw on data such as housing supply, communal accommodation and component flows by local authority district<sup>51</sup>. Over the same period, LDD data (as shown in Table 19) highlights that 3,779 homes were delivered (total completions) over the period 2016-2019, with 624 homes delivered in 2016, 1,365 homes delivered in 2017, 799 homes delivered in 2018 and 991 homes delivered in 2019. As mentioned above, discrepancies between the Housing Delivery Test data and the London Development Database (LDD) data above can be attributed to the variances in data used and the timeframes of when development data was captured: that is, LDD data is based on the calendar year, but Housing Delivery Test data is on a financial year basis, so there is no direct match between the two. Furthermore, the GLA complete annual housing returns to MHCLG (upon which the Housing Delivery Test data is based) on behalf of the London boroughs, using LDD data: it is essentially the same data but reported differently.
- 7.9 Despite the post-recession dip the overall level of completions from smaller windfall type sites of fewer than five dwellings has remained fairly consistent, with the level of completions achieved in the past five years being on a par with that prior to the slow down caused by the recession. It is thus considered appropriate to 'roll forward' these figures, assuming an average small site windfall delivery of 128 homes per annum (based on a 10-year rolling trend, 2010-2019).
- 7.10 It is often prudent to discount windfall projections so as not to overstate their importance to overall supply, particularly given economic cycles and the impact of these on the housebuilding industry. However, the figures assessed over the last ten year period include an allowance for a dip as they included a period of slower delivery following the previous recession. As such, it is considered reasonable to assume that windfall allowances will equate to 1,288 homes over the Plan period.

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<sup>51</sup> The Housing Delivery Test (2020) has since been published and this shows that 3,270 homes were delivered between 2017-2020, with 717 homes delivered in 2017/2018, 1,251 homes delivered in 2018/2019 and 1,302 homes delivered in 2019/2020.

## Analysis of development type

7.11 For the purpose of this report, completions from smaller windfall type sites in Harrow recorded in the LDD have been further broken down to better identify key sources of supply. These are presented in Figure 10 and Table 20 and show that conversions of existing residential units, into multiple flats for example, comprise the main source of supply from this type.

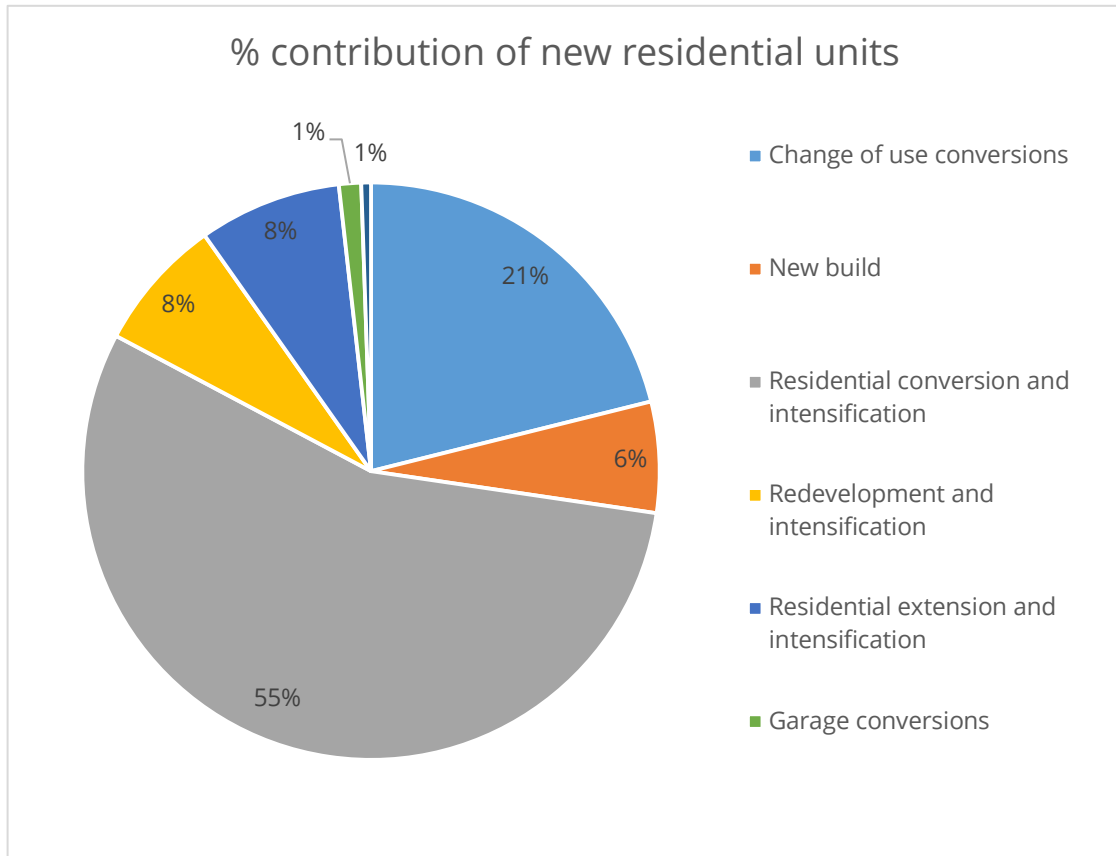


Figure 10: Breakdown of completions on sites of fewer than five new homes, by type of development, 2010-2019 (Note: percentage figures are rounded)

Type of completion	Number of net completed units	% of total net completed units
Change of use conversions	272	21.1%
New build	80	6.2%
Residential conversion and intensification	714	55.4%
Redevelopment and intensification	96	7.5%
Residential extension and intensification	103	8.0%
Garage conversions	16	1.2%
Mixed use development including retention of existing uses	7	0.5%
Total	1,288	100%

Table 20: Breakdown of completions on sites of fewer than five homes, by type of development, 2010-2019

#### 7.12 Key points of note are:

- More than half of all additional units (55.4%) on smaller windfall type sites derive from residential conversions.
- One fifth (21.1%) of new residential units were delivered through change of use conversions.
- A significantly lower proportion of residential units were created through redevelopment and intensification schemes (7.5%), residential extensions (8%), new builds (6.2%), garage conversions (1.2%) and schemes which intensify but retain the existing uses (0.5%).

#### 7.13 A more comprehensive breakdown of housing completions by dwelling types is presented in Appendix C. In terms of new residential units created through a change of use (Figure 11):

- 52% (141 units) of all units were involving change of use involved conversion from office (B1a) to residential.
- 11% (30 units) of all change of use developments involved shop (A1) to dwelling (C3) conversions.
- 10% (27 units) of all change of use developments consisted of financial and professional services (A2) to dwelling (C3) conversions.
- Non-residential institutions (D1) e.g. health centres and clinics made up another 8% (22 units) of the overall change of use development total.

7.14 The remainder are from a range of change of use schemes: none of which deliver a substantial amount of new residential units in their own right.

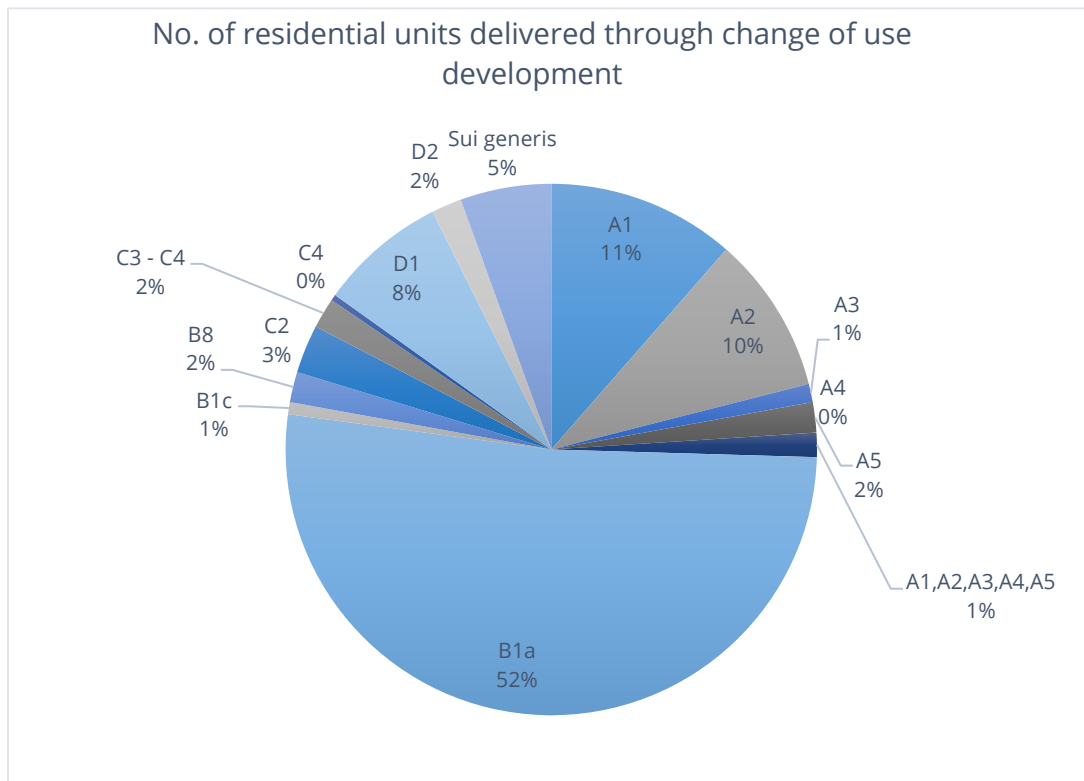


Figure 11: Breakdown of residential completions on sites of fewer than five new homes delivered through a change of use over the ten year period 2010-2019 (Note: this analysis reflects the Use Class Order pre-September 2020)

## Spatial Analysis

7.15 All smaller windfall type site developments of fewer than five dwellings recorded in the LDD have been mapped against the locational criteria for optimising small site delivery outlined in the London Plan, being (a) within 800m of a railways or underground stations, (b) within 800m of a Town Centres, and (c) within PTAL 3 to 6B. Results are presented as a series of maps and charts (in Appendix C). Key findings are that:

- The majority of conversions and change of use are located within the areas with highest PTAL ratings.
- There is a greater proportion of new builds and redevelopments in areas with lower PTAL ratings. As highlighted in Appendix C (at Figure C2.7), the majority of new builds also fall outside the 800m catchment of a town centre and rail station, in places such as Hatch End and Stanmore. Typically, these areas are defined as predominantly residential and low density, thus offering opportunities for infill development on pockets of vacant land.
- Given the high correlation between PTAL ratings and proximity to railway and underground stations, similar trends to those outlined above are found

within the 800m catchment around stations. However, the proportion of conversions and change of use within station catchments is higher than all PTAL 3-6 areas. This suggests a strong correlation between change of use and access to stations.

- The above is reflected within the catchment area of town centres, with conversions and change of use being most prevalent in these areas. This pattern is particularly noticeable within the catchment of centres at Harrow, Wealdstone, Pinner and Stanmore.

7.16 Overall, and perhaps unsurprisingly, it is evident that both railways stations and town centres are strong attractors for development.

## Key findings

7.17 Headlines from the analysis outlined above can be summarised as:

- Smaller windfall type sites (those delivering fewer than five units) are a consistently important supply of source for new homes in Harrow, accounting for around a fifth of all housing completions every year.
- Rates of past delivery support inclusion of a windfall allowance across the new Plan period, though caution should be exercised when applying this to the first five years of the Plan.
- A windfall allowance of 128 per year appears reasonable.
- The majority of new residential units on smaller windfall type sites are created through conversion of existing buildings, including the subdivision of existing homes into multiple flats. This makes up almost two-thirds of the total supply.
- Change of use also comprises a significant source of supply, with more than one fifth of all units generated through a change of use. Breaking this down, the most common change of use is office to residential, which makes up more than half of all change of use schemes.
- New builds only account for a very small proportion of supply, comprising just 4% of the total of all new units created. Where these have taken place they tend to be located in areas with lower PTALs, and thus outside the 'locational criteria' for Small Sites established in the London Plan, but where the suitability of development has been demonstrated to the Council.
- There is a strong correlation between changes of use and 'more sustainable locations', being those within higher PTAL areas, within the catchment of town centres and stations.

# 8. Other sources of Supply

## Homes above the shop

- 8.1 Research published by the Federation of Master Builders<sup>52</sup> suggests that, across the UK, *'there is significant untapped potential to create additional homes above shops, on or near the high street'*, including *'unused space above shops that could be more intensively used or redeveloped into additional housing units'*. The research also suggests that realising this potential can do more than just deliver new homes, as *'revitalising our high streets through well planned and designed residential units could help rejuvenate smaller town centres'*.
- 8.2 With new Permitted Development Rights having recently been announced by the Government in respect of upwards extensions it is anticipated that the delivery of homes above the shop might be an additional source of supply and means of contributing towards housing need. However, as analysis of the LDD presented in the previous section shows, there has been very little of this type of development within Harrow. Indeed, only 15 residential units were delivered as a result of intensifying the upper floors of an existing mixed-use development, i.e. through conversions and/or extensions, over a ten-year period (2010-2019).
- 8.3 It is considered that these low figures reflect the level of complexity involved in converting spaces above retail units. In particular, identifying space above shops for new homes is challenging and the potential is thus difficult to quantify<sup>53</sup>. In addition, and once identified, there are other complexities to consider, including the creation of suitable access arrangements and the need to satisfy both building regulations and planning policies. Equally, potential may depend on the ability to coordinate development across multiple land ownerships.
- 8.4 Although we believe that potential is very likely to exist for new homes from this source type we have not, for the reasons outlined above, made an estimate of potential within this study. However, we recommend that this source is monitored over time.

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<sup>52</sup>Lichfields and Child Graddon Lewis for the Federation of Master Builders, December 2017, Homes on our High Streets: How to unlock residential development on our High Streets

<sup>53</sup>Research by Empty Homes, 2016. Affordable Homes from Empty Commercial Spaces suggests that such spaces are seldom classified as dwellings (even if one point in history there had been a flat above the shop), and therefore not readily detected through council tax data which is used by local authorities to record and identify empty homes in their area. They are also not captured by data on empty retail units and offices. It is suggested that there is little alternative than to undertake door to door surveys to identify potential empty spaces.

## Office to residential conversions / Permitted Development Rights

- 8.5 The LDD<sup>54</sup> contains records of 100 'Prior Approvals' in Harrow covering financial years 2013 - 2019, of which 47 are for schemes generating less than 5 dwelling units on sites less than 0.25 hectares. These are captured in the analysis of windfall on schemes of fewer than five dwellings outlined in section 7. In addition to this, there are another 47 schemes recorded in the LDD generating five or more dwellings on sites of less than 0.25 hectares. Five further schemes are included in the LDD on sites greater than 0.25 hectares. There is one more entry in the LDD: this however does not include any details on the number of residential units provided.
- 8.6 Of those 'Prior Approvals' on small sites generating more than five dwellings:
- 35 are recorded as completed schemes, together generating 819 dwellings.
  - Six schemes are recorded as work having started which, when complete, will generate 260 dwellings.
  - Six schemes are recorded as 'not started'. If delivered these will generate 196 dwellings.
  - In total, these schemes account for 1,275 dwellings, equating to an average of approximately 27 dwellings per scheme, or around 212 dwellings per year.
- 8.7 This data reveals that the prior approvals route has been an important source of supply of new homes in Harrow. However, and although the Prior Approval route is likely to contribute to the supply of new dwellings across Harrow in the future, a simple extrapolation of trends is unlikely to be appropriate given the diminishing supply of office space that might be suitable and economically viable for conversion. Indeed, the 2019 Harrow Annual Monitoring Report states that *'with the supply of office buildings diminishing, it now looks as though the amount of residential coming from office changes of use is slowing down'*<sup>55</sup>.
- 8.8 Statistics held by DLUHC<sup>56</sup> and dating back to the second quarter of 2014 show that, nationally, around 1,000 prior approval applications were submitted per quarter in 2014 but this has steadily dropped, falling to fewer than 500 such applications by the last quarter of 2020. Although the figure has picked up again

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<sup>54</sup> <https://data.london.gov.uk/download/planning-permissions-on-the-london-development-database--ldd-/eb050c40-3e94-4384-8e59-1b8c49dbdf36/LDD%20Permissions%20for%20Datastore.xlsx>

<sup>55</sup> Harrow Local Plan, Authority Monitoring Report, Monitoring Period April 2017 – March 2019.

<sup>56</sup> Table PDR1: District Planning Authorities – applications for prior approvals for permitted developments, by local planning authority



slightly since then - and which may be reflective of the impacts of the Covid pandemic with employees increasingly working from home and resulting in unused office space (the true impacts of which it is not possible to quantify at this time) - it remains well below the levels recorded in 2014.

- 8.9 Given the above, plus the controversy around the design quality and living environment created through such schemes<sup>57</sup>, it is difficult to estimate the number of future residential schemes that might come forward in future. A conservative estimate of supply from this source might be around 106 dwellings per year, reflecting the 50% decline in schemes witnessed at the national level. It is important that this development type is monitored over time, particularly given the importance of providing employment opportunities across the borough. This review should also include those changes of use that might take place as a result of the new Use Class E and associated development rights introduced through amendments to the use classes order.
- 8.10 In addition to the breakdown outlined above, the records in the LDD also indicate that there has been a relatively small number of conversions / change of use schemes generating five or more residential units on sites less than 0.25 hectares. Some of these are recorded as office to residential conversions, taking place before the prior approvals route was introduced. Of the others, schemes include the subdivision of existing residential properties, conversion from shops, pubs, guest houses, hostels and nursing homes. Some conversions and change of use schemes have also involved extensions to the existing building(s). In total, 30 schemes are recorded, generating 199 residential units. This equates to around three schemes per year of six – seven residential units each. Given the relatively limited activity with this scheme type a separate allowance from it has not been made in this study.

## Empty properties

- 8.11 According to Government data<sup>58</sup>, as of October 2019 there were 708 long term vacant dwellings in Harrow, defined as those '*dwellings which have been unoccupied and substantially unfurnished for over six months*'. This equates to less than 0.8% of the total dwelling stock in Harrow<sup>59</sup>. This is well below the average for London, and England, as a whole, and is a figure that would allow for normal turnover and

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<sup>57</sup> RICS, May 2018, Assessing the impacts of extending permitted development rights to office-to-residential change of use in England

<sup>58</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/875344/LT\\_615.xls](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875344/LT_615.xls)

<sup>59</sup> Based on total number of Council Tax: Stock of Properties in England and Wales 2018, Valuation Office Agency, local authority level data, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/741477/Table\\_CTSOP1.0.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/741477/Table_CTSOP1.0.xlsx)

property market churn. For reference, 1.8% of the total number of households in London were recorded as vacant in 2016<sup>60</sup>.

- 8.12 The same Government data suggests that there has been an increase in long-term vacant properties from 251 in October 2010 to 708 in 2019: an increase of 451 long-term vacant properties. However, and as illustrated in Table 21, trends have varied quite considerably over the past decade, including an anomaly recorded in 2019 where the long-term vacant rental property figure more than doubled compared to the previous year.

<b>Year</b>	<b>Long-term vacant properties (units)<sup>61</sup></b>	<b>Long-term vacant properties returning to use</b>	<b>Total number of dwellings in Harrow<sup>62</sup></b>	<b>% of long-term vacant home occurrence</b>
2010	251	+53	85,994	0.29
2011	210	+41	86,524	0.24
2012	166	+44	86,994	0.19
2013	356	-190	87,709	0.41
2014	81	+275	88,004	0.09
2015	97	-16	88,414	0.11
2016	651	-554	89,324	0.73
2017	673	-22	89,980	0.75
2018	299	+374	90,680	0.33
2019	708	-409	91,909	0.77

Table 21: Breakdown of long-term vacancies in harrow over the ten-year period 2010 - 2019

- 8.13 There is no real discernible pattern in the proportion of empty homes being returned to use in Harrow. Over the ten year period, the average amount of long term vacant properties as a percentage of all properties stands at just 0.39%. As noted above this is low in comparison to the London-wide figure, although that does include second homes as well as vacancies. The lower figures in Harrow would perhaps suggest that the proportion of second homes in Harrow is lower than for London as a whole.

<sup>60</sup> [https://www.london.gov.uk/sites/default/files/london\\_shma\\_2017.pdf](https://www.london.gov.uk/sites/default/files/london_shma_2017.pdf)

<sup>61</sup> Ministry of Housing, Communities and Local Government, Table 615: vacant dwellings by local authority district: England, from 2004

<sup>62</sup> Ministry of Housing, Communities and Local Government, Number and Density of Dwellings by Borough

- 8.14 Returning vacant properties into use can be challenging and costly. To address this, Harrow Council is offering grants to owners and landlords to bring their properties up to the Government Decent Homes Standard<sup>63</sup>. Despite these efforts the London Plan SHMA (2017) notes that, in reality, at any point there are a number of long-term vacant homes which do not contribute towards meeting housing needs. This is reiterated by Action on Empty Homes, who state that *'it is advisable to exercise some caution in looking at the year to year data at an individual local authority level due to numerous factors which can impact on the numbers recorded, such as the staffing of empty homes teams, a change in local counting methods and the influence of particular developments'*<sup>64</sup>.
- 8.15 Based on the above it is suggested that the reuse of vacant properties does not form a reliable source of supply and therefore should not be included in subsequent windfall calculations. This stance should though be regularly reviewed and monitored overtime.

## **Back garden development**

- 8.16 The adopted Harrow Core Strategy seeks to resist proposals for garden development. However, it is recognised that such schemes do come forward and, in response to this, the Councils SPD on garden land development (adopted April 2013) provides further guidance and advice. The SPD aligned with the 2012 version of the NPPF in respect of 'garden grabbing'. Residential gardens remain outside the definition of previously development land in the 2021 NPPF, with guidance on the approach to identifying land for development stating, at para 71, that *'Plans should consider the case for setting out policies to resist inappropriate development of residential gardens...'*.
- 8.17 Set against this is the London Plan and Policy H2 in relation to Small Sites, which encourages the incremental intensification of existing residential areas which, it says, might take the form of new build, infill development, residential conversions, and the redevelopment or extension of existing buildings, including non-residential buildings and residential garages. Although not specifically referencing development of back gardens, the suite of documents consulted upon by the GLA under the banner of 'Good Quality Homes for all Londoners' illustrate back garden development and infill as a potential opportunity for intensification. The illustrated examples comprise smaller scale developments. This is typical of the type of back garden development that has historically taken place in Harrow.
- 8.18 The Harrow Characterisation and Tall Buildings Study (2021) highlights that many of the predominant residential-led typologies within the borough include front and

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<sup>63</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7812/138355.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf)

<sup>64</sup> <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=68fa9a2d-83f5-4ca4-936b-a8d8248484c0>

back garden space. These typologies include villa/detached, suburban, cottage estate, urban terrace, cul-de-sacs and slab estates. The Study notes that rear garden annexes are particularly prevalent in the area east of Wealdstone.

- 8.19 In relation to the intensification and use of back gardens, the Study highlights that intensification of residential blocks (that area enclosed by and defined by surrounding streets) with a depth greater than 70 metres might be possible where there is hard standing access to rear areas, enabling family homes to be created in a green setting.
- 8.20 It suggests that there may be some opportunities for 'backland' development within larger residential blocks in the south west of the borough, but that these would need to be designed sensitively, avoid overlooking and respect the 'low-scale setting' of such areas, and may involve redevelopment of the plot (including the buildings on the street frontages) to enable mews style access to the backland area, but does not seek to quantify this. The existence of areas with large back gardens (that might be able to accommodate development) are though a clear part of the character of Harrow and, beyond this, are important for wider matters, such as biodiversity and managing surface water run-off. Where such development has taken place it has tended to be relatively small scale (below five units – as per the examples in the Good Quality Homes for all Londoners document) and is accounted for in the windfall allowance outlined in the previous section.

# 9. Study findings

## Capacity estimates

### Unconstrained capacity of physically identified sites

- 9.1 Through the Small Sites Capacity Study 2,251 sites were initially identified. Following assessment of site suitability this was reduced to a total of 290. Application of the London Plan Density Matrix resulted in an initial estimate of capacity on these sites of around of 5,278 homes.
- 9.2 Design work was undertaken on a sample of representative sites identified across the borough. Applying the densities generated from these back to the wider pool of sites shows how, though consideration of local context and character, the estimate of capacity changes. Through application of densities generated through the design work, the estimate of potential from suitable sites reduced to 2,617 homes. This is significantly below the estimate of potential generated through use of the London Plan density matrix, although that assumes that all sites would be fully developed for residential purposes, with the design work making allowance for incorporation of other uses on sites where appropriate. For the purposes of reporting, these are taken as a range.
- 9.3 Any site where the calculations resulted in an estimate of capacity fewer than five homes was removed from the supply to avoid double-counting with the windfall allowance (see below).

### Discounting the supply

- 9.4 Through further consideration of sites the estimate of capacity was reduced to a range between 1,460 and 2,436 homes, or a mid-point of 1,948. This reduction in capacity reflects matters of deliverability and is based on broad site typologies, recognising that whilst suitable on a site-by-site basis, not all will come forward for development.

### Smaller windfall sites and other sources of potential

- 9.5 A windfall allowance has been made for development on 'smaller sites' in the borough, being those that might yield fewer than five dwellings. As past performance demonstrates, this is an important source of supply but, due to the nature of the sites in question, are often difficult to physically identify. It is estimated that approximately 128 homes per annum might come forward through windfall.

- 9.6 The study has also looked at the potential supply of homes from other sources which might generate five or more homes on sites smaller than 0.25 hectares, including the potential for homes above the shop, empty properties and the prior approvals route. These are difficult to quantify and, in the case of homes above the shop and empty properties, difficult to deliver. Although these sources do generate new homes, they do not represent a consistent or reliable source of supply.
- 9.7 There has however been a relatively large number of office to residential conversions on small sites across the borough. The supply of office space for such conversions is though diminishing and national trends indicate that this form of development is declining. An estimate of 106 homes per year is allowed from this source type though needs to be regularly monitored over time as this source of supply may fall.

### **Summary of constrained capacity**

- 9.8 The study estimates that there is potential for approximately 1,460 – 2,436 new homes on small sites in Harrow. This is based upon the estimates of potential from suitable sites after discounting. This equates to an annual average of between 146 - 244 homes. Estimates of windfall on smaller sites (those generating fewer than five homes) have been calculated and it is considered reasonable to expect this supply to contribute around 128 new homes per year across Harrow. A further 106 homes per year might come forward through the prior approvals office to residential route. Adding these to the estimates of capacity based on the identified sites results in potential for between 380 – 478 new homes coming forward on small sites in Harrow on an annual basis. This is summarised in Table 22.
- 9.9 By comparison, the average rate of delivery in Harrow on small sites over the last decade (as presented in the London Plan SHLAA) has been around 250 homes per year (although further interrogation of LDD data shows this to be closer to 298 per year), with the Small Sites target for Harrow in the London Plan being 375 homes per annum over a ten-year period. The study thus estimates that the potential for new homes on Small Sites exceeds this, with a mid-point being around 430 homes per year. However, this should be treated with some degree of caution, with the potential supply of homes via the prior approvals route requiring regularly monitoring. Should this source decline in line with national trends, then the London Plan housing targets will represent a challenge.

	<b>Total / estimated range</b>	
Total sites identified	2,251	
Total sites considered suitable	290	
Estimate of potential from suitable sites	2,617	5,278
Estimate of potential after discounting	1,460	2,436
Annualised estimate of potential after discounting	146	244
Annual allowance for windfall	128	
Annual allowance for homes through office to residential prior approvals route	106	
Annualised estimate of potential including windfall	380	478

Table 22: Estimate of potential for new homes on Small Sites in Harrow

## Delivery challenges

- 9.10 The estimate of potential from Small Sites has been reduced to account for delivery challenges across Harrow. Addressing these might help unblock some of the potential, increasing both overall potential but also the delivery of affordable housing.
- 9.11 Although evidence suggests that deliverability on small sites in Harrow has, in recent years, been adequate, this is in large part due to financial viability assessments indicating that, to make schemes viable, affordable housing cannot be delivered in line with the borough wide targets. Indeed, the Mayor of London made a similar observation in 2017, claiming that Harrow had performed poorly in terms of securing affordable homes, noting that [in terms of] *“the proportion of Harrow’s housing approvals during the last three years, the provision of net affordable housing units [in Harrow] equates to just 10%”*<sup>65</sup>. More recently, the Mayor has noted that although the Council has delivered 48% of the target set for affordable homes (over the period 2015/16 – 2019/20), this only equates to 13% of the total number of new homes delivered over that period<sup>66</sup>. With future rates of delivery to be assessed against higher housing targets in the new London Plan, a continuation of trends would see the shortfall against affordable housing targets increase.

<sup>65</sup> London Borough of Harrow Planning Committee Agenda: Churchill Hall, Hawthorne Avenue, Harrow – P/1945/17. Paragraph 6.4.7.

<sup>66</sup> GLA, Planning report 2020/6713/S2, 4 October 2021, Stanmore Station Car Park, London Road, LB Harrow Planning Ref P/1221/20

9.12 Moving forward, to secure affordable housing within the borough whilst maintaining high levels of deliverability, the Council might explore a range of options as set out in the following sections.

### **Affordable Housing Grant**

9.13 In an attempt to provide a strong incentive to increase the level of affordable housing beyond that which is viable with nil subsidy, the Mayor of London established the Homes for Londoners: Affordable Homes Programme (2021-2026)<sup>67</sup>. With a target of building at least 82,000 affordable homes between April 2021 and March 2026, the programme provides funding for building affordable homes. The overall funding package available under the Programme for the period 2021-2026 is £4 billion. The programme is sub-divided into the following two funding sources:

- The Long-Term Strategic Settlement consisting of £1bn funding for projects with starts on site from 1 April 2022 to 31 March 2026 and completions to 31 March 2029.
- The General London Affordable Housing 2021-2026 settlement of £3 billion funding for projects with starts on site from 1 April 2021 to 31 March 2026 and completions to 31 March 2028.

9.14 The Mayor will primarily allocate funding through this programme for three affordable housing products, which are:

- Social Rent: where low cost rented homes to help low income households, typically nominated by councils, who are unable to secure or sustain housing on the open market.
- London Living Rent: London Living Rent offers Londoners a below-market rent, supporting them to save for a deposit to enable them to move into home ownership.
- Shared Ownership: shared ownership allows a buyer to purchase a share in a new home, and pay a rent on the remaining, unsold share.

9.15 Harrow Council should look to make developers and housing associations aware of the financial aid available if viability is an issue. London Boroughs are also encouraged to bid for funding. Properties they deliver for London Affordable Rent and London Living Rent may also be eligible for Right to Buy, where the local authority is the landlord.

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<sup>67</sup> [https://www.london.gov.uk/sites/default/files/201123\\_homes\\_for\\_londoners\\_-\\_affordable\\_homes\\_programme\\_2021-2026\\_-\\_funding\\_guidance\\_fa.pdf](https://www.london.gov.uk/sites/default/files/201123_homes_for_londoners_-_affordable_homes_programme_2021-2026_-_funding_guidance_fa.pdf)



## Providing Certainty for Developers

- 9.16 In the West London Small Sites SHLAA stakeholder engagement exercise, qualitative responses reiterated *"the uncertainty of gaining planning permission and the expense of upfront costs related to surveys, viability studies and reports before planning is approved as a major barrier to delivery"*<sup>68</sup>.
- 9.17 This is supported by Lichfields' report on Small Sites: Unlocking Housing Delivery<sup>69</sup> (September 2020) which reveals that, based on 60 developments across London, the median time taken to determine planning applications for development on small sites is circa 60 weeks; applications are then at committee for a further 33 weeks.
- 9.18 Where possible, the Council should look to provide greater certainty from the outset and streamline the planning process. One way the Council might achieve this is by utilising the Permission in Principle consent route, either on receipt of a valid application or by the Council entering a site in Part 2 of its brownfield land register (which will also trigger a grant of permission in principle)<sup>70</sup>. Being able to find out if a proposal is acceptable "in principle", particularly for small sites where returns are limited, should help reduce uncertainty and cost barriers.
- 9.19 The 'Levelling Up and Regeneration Bill'<sup>71</sup>, places great emphasis on streamlining the planning process. If and when those changes come into force, developers and landowners will be afforded even greater certainty about whether or not they can navigate the planning process without hindering viability.

## Council-led Housing Delivery

- 9.20 The RTPI Research Paper on Local Authority Direct Delivery of Housing 2019<sup>72</sup> makes clear that *"relying on the private sector to progress applications through the planning system alone will not deliver against the full range of society's housing needs in a particular council area."* As such, the report provides guidance for local authorities as to how they can effectively boost the housing supply. It is recommended that local authorities should:
- Bring together housing and planning into a housing delivery team to manage the implementation of all housing schemes regardless of the promoter.

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<sup>68</sup> West London Small Sites SHLAA: Part B – Delivery and Development Trends 2018. Available at: <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/examination-public-draft-new-london-plan/eip-library>

<sup>69</sup> Small Sites: Unlocking Housing Delivery; Lichfields. Available at: <https://lichfields.uk/content/insights/small-sites-unlocking-housing-delivery>

<sup>70</sup> NPPG Paragraph: 002 Reference ID: 58-002-20180615

<sup>71</sup> Planning for the Future: White Paper August 2020. Available at: <https://www.gov.uk/government/collections/levelling-up-and-regeneration-bill>

<sup>72</sup> Local Authority Direct Delivery of Housing: 2019 Continuation Research – Summary Report; RTPI [ONLINE]. Available at: <https://www.rtpi.org.uk/research/2019/july/local-authority-direct-delivery-of-housing-ii-continuation-research/>

- Establish a housing delivery board to monitor progress and delivery.
- Establish a housing delivery forum of all providers in the area to meet regularly to discuss progress and problems.
- Establish a housing intervention fund to help overcome issues on individual sites (funding can be made as a grant, a loan or in return for development equity).
- Consider how housing provision can support the local economic objectives e.g. private rented sector for younger professionals and graduates moving to the area, housing for families to encourage them to remain in the area, key worker housing.
- Assess all sites in council's ownership for the suitability for housing not just those held in Housing Revenue Account (see more below) or in delivery portfolios.
- Include more detailed housing delivery outcomes in the annual monitoring report.

## **Community-led Housing**

- 9.21 The Council might also consider releasing small sites from the Housing Revenue Account (HRA) that would otherwise be uneconomical for the Council to develop. Though such sites could be disposed of on the open market, the Council can retain greater control over the quality and type of development by working with Community-Led Housing groups. The benefits of such projects include a greater diversity of housing delivery, increased housing supply, a greater sense of ownership and increased empowerment amongst residents and a unique understanding of what works for a particular site or group of local people<sup>73</sup>.
- 9.22 This strategy aligns with the GLA's Community-led Housing agenda; this includes the Community-led Housing Fund, a £38 million fund that enables Londoners to play a leading role in building new social rented and other genuinely affordable homes. The GLA has also established the Community-led Housing Hub to support such community projects at an early stage to develop their capacity, develop their business plans and progress their Project Plans.
- 9.23 In Harrow, the Housing Strategy (2019-2024) recognises community-led housing as a way to increase the supply of affordable homes to rent and buy; however, the community-led route is currently not included in the broader Homes for Harrow Infill Programme where the Council are looking *"to build new council housing for rent, as well as homes for sale on a shared ownership basis on vacant or underutilised*

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<sup>73</sup> London Borough of Harrow Cabinet Minutes – 19th March 2020

*Housing Revenue Account (HRA) land/assets such as garage sites*<sup>74</sup>. Moving forward, the Council should look to include community-led housing as an established method for unblocking small sites.

## **Compulsory Purchase**

- 9.24 Another way local authorities might boost supply is through Compulsory Purchase Orders (CPOs)<sup>75</sup>. These are particularly useful when owners have displayed no intention to take forward development even when they have planning permission. The RTPi report on Local Authority Delivery of Housing 2019 notes that in many cases CPOs are not actually needed; the threat of action encouraging landowners to implement development themselves<sup>76</sup>.
- 9.25 Area or site-specific Supplementary Planning Documents can be used strategically alongside CPOs to tackle vacant or stalled sites by indicating preferred uses to the owners: *"If adopted council planning policies designate land as being required to meet local needs, this again makes it easier for the council to progress CPOs."*<sup>77</sup>
- 9.26 However, the use and role of CPO powers is more likely on larger sites in regeneration areas. Use of such powers on Small Site delivery is likely to be limited.

## **Wider choices**

### **Industrial and Business use areas**

- 9.27 The approach to site identification was initially 'policy-off', with the exception of Green Belt and Metropolitan Land. In reviewing the suitability of sites for development, policy layers as well as wider constraints, such as flood risk, were considered. This approach resulted in the list of identified sites being substantially reduced, with the biggest impact on this approach being in respect of employment and industrial land.
- 9.28 A total of 42 sites were considered unsuitable on the grounds of being designated for business or industrial use alone (that is, they were not considered to be constrained in other respects, including, for example, matters of access or relationship with adjacent uses). These sites are estimated to have potential for between 390 – 780 new homes (or a mid-point of 585 homes).
- 9.29 In line with policy in the London Plan, an approach could be taken that seeks to intensify use of the land, allowing for retention of some employment floorspace,

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<sup>74</sup> London Borough of Harrow Regeneration Strategy 2015-2026 – Building a Better Harrow

<sup>75</sup> Local Authority Delivery of Housing: Advice for planners on how to support local authority led housing delivery; RTPi. Available at: <https://www.rtpi.org.uk/research/2019/july/local-authority-direct-delivery-of-housing-ii-continuation-research/>

<sup>76</sup> *ibid*

<sup>77</sup> *ibid*

but also allowing for introduction of new homes. This would help contribute towards an additional supply of land for new homes on small sites in Harrow.

### **Car parking and garage courts**

- 9.30 This supply of land represents the greatest potential for development on Small Sites in Harrow. The estimates have though been based upon application of discounting rates and which has resulted in the scale of potential being significantly reduced.
- 9.31 Further consideration should be given to the utilisation of car parks and garage courts in Harrow to better inform actual development potential on a site-by-site or areas basis, including whether different models of provision over time may allow additional sites to come forward. This could include provision of decked parking in one location allowing for the release of other surface car parking sites for development.
- 9.32 Combined with other emerging mobility solutions and an approach to active and sustainable modes of travel, this could help release opportunities for additional housing.

### **Community assets and facilities**

- 9.33 The study has, in some locations, identified sites that are currently occupied by social and community facilities, and where redevelopment may be appropriate where it includes the repositioning of such uses. The design case studies undertaken in support of the work indicate such uses being reprovided on site. This reduces the development potential of those sites for new homes but also bring delivery challenges. Whilst such uses are important to the health and well-being of the community, there may be opportunities to amalgamate uses, bringing benefits in terms of shared facilities and reduced maintenance costs, particularly where such uses might be utilised for different activities at different times of the day. This would reduce the requirement for provision of separate facilities and could potentially facilitate an increased supply of new homes.

### **Density and design**

- 9.34 Use of the London Plan density matrix in this study provides a higher estimate of potential than envisaged through application of densities generated through the design case studies.
- 9.35 This is perhaps to be expected, with the design case studies responding to the particular character and context of Harrow, and which seek to optimise the potential of the site as opposed to maximising development.
- 9.36 The challenge here is that the densities generated through the case studies reduce the estimate of potential and which could make the London plan targets more

challenging to meet. However, the case studies are appropriate, reflecting good practice design and placemaking principles, and showing how development, that would be considered acceptable, in principle, in policy terms, could be accommodated. This is important given the messages from the review of schemes on small sites refused permission in Harrow over the past decade, with matters of character, scale, mass and overlooking being cited as the primary reason for refusal.

- 9.37 Proposals for development on small sites in Harrow which follow the guidance and principles established through the Small Sites Design Code and as illustrated through the design case studies may be able to navigate the planning system more successfully (subject to compliance with wider policies and considerations). However, whilst this may help some schemes overcome the design challenge, it may not, in isolation, help deliver the number of new homes on small sites established in the London Plan. To this extent, consideration may need to be given to more innovative approaches to development exploring alternative forms of development that meet the design principles established in the Design Code but do so in a way that generates additional density. Reducing parking requirements may be one approach, though would need to be accompanied with alternative travel measures, such as shared mobility solutions.





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