

## Greater Cambridge Local Plan (2021) First Proposals Regulation 18 Consultation - Pocket Living (Rev 009 – 09.12.21)

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### Purpose

These representations are submitted on behalf of Pocket Living in response to the Cambridge Local Plan First Proposals (Regulation 18) Consultation.

### About Pocket Living

Pocket Living ('Pocket') is an innovative award-winning SME developer established in 2005 to deliver discounted affordable homes for eligible first-time buyers. Pocket provides high quality homes to households who cannot afford to buy a good quality home but would also not be eligible for social housing. These households typically include front-line key workers who are essential to local communities.

Pocket's discounted homes meet the statutory definition of affordable housing set out in Annex 2 of the National Planning Policy Framework (NPPF). Planning agreements ensure that Pocket affordable homes are provided at a minimum 20% discount to open market values and are reserved for eligible purchasers who live or work locally and do not own their own home. Unlike Shared Ownership (which can revert to private sale) covenants in the planning agreement and lease ensure that the homes remain as affordable housing in perpetuity, helping future generations. Pocket also manage resales to ensure homes go to other eligible first-time buyers.

A specialist in small and complex sites, Pocket is known for the delivery of well-designed homes using modular technology. The homes that Pocket builds stay affordable forever and so are designed for the long term with lasting quality. Pocket also encourages a sense of community amongst its residents, starting with welcome drinks and aided by communal spaces such as roof terraces and co-working rooms.

Support for SMEs, like Pocket, within the development sector is reinforced nationally by Central Government as set out most recently in the publication of the Government's consultation 'Planning for the Future' which highlights the Government's objective to diversify the housing industry and encourage innovation in housing delivery

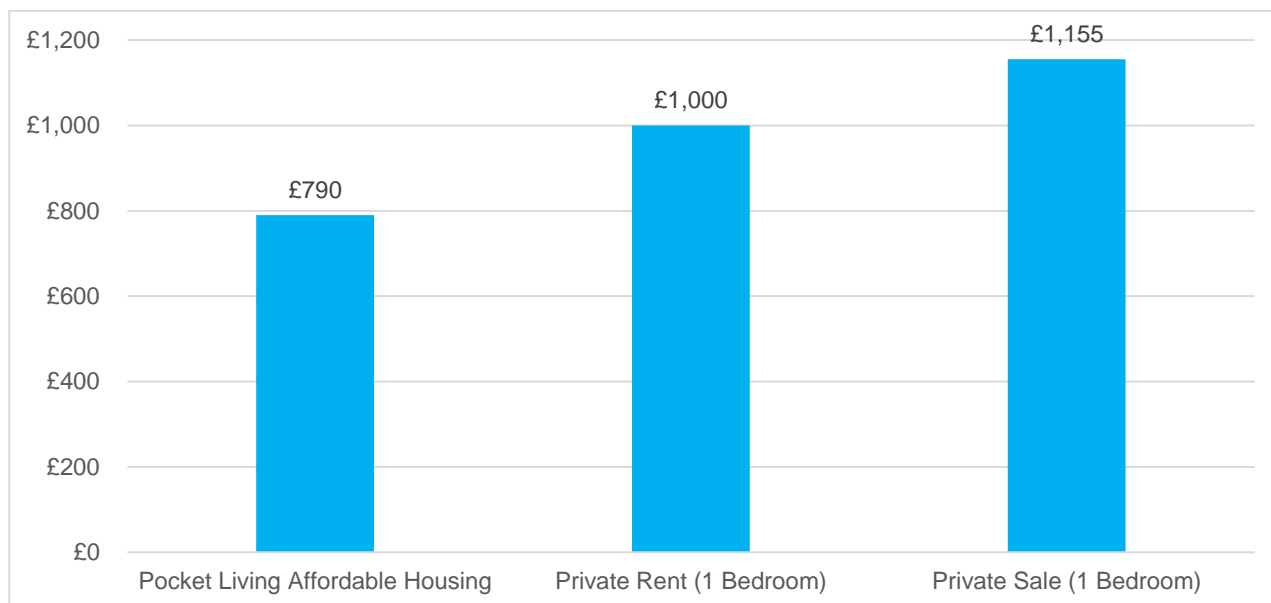
The importance of what Pocket does is recognised in partnerships with Homes England and the Greater London Authority. Pocket is the only development business focused entirely on affordable homeownership in the UK.

Pocket believes its affordable homeownership offer could play an important role in the city of Cambridge and has been seeking to promote a scheme on the Newmarket Road in conjunction with Grosvenor for a Pocket led intermediate housing scheme.

For example, if delivered in Cambridge City Centre Pocket Living Housing would be significantly more affordable than alternative one-bedroom private sale and private rent homes (Figure 1). The savings required for the deposit would also be substantially lower for a pocket home compared to a private sale home.

The delivery of Pocket homes in Cambridge City Centre could therefore meet the needs of many of the c.24,000 local households, including those with incomes below the local average (c.£50k), who are unable to afford to buy a home in Cambridge (house prices are now 13x incomes) but would not be eligible for social housing (meeting an unmet intermediate affordability gap).

**Figure 1 – Cambridge City Centre - Affordability Comparison (Quod 2021)**



Due to a low proportion of existing discounted housing (less than 1%), these households (who are typically young single persons including key front-line workers) have no choice but to:

- I. live with parents later into adulthood;
- II. rent in the low quality, overcrowded and insecure buy to let dominated rented sector; or
- III. leave the area to find more affordable housing causing loss of workers and key workers (negatively impacting businesses and the delivery of front-line services) and breakup of existing communities.

Increased demand from single persons also results in pressure to convert homes to HMO's or informal buy to let house shares which would otherwise best suited to families (i.e 3-bedroom+ houses with front doors and gardens).

Pocket Living Affordable Housing could therefore make an important contribution to meeting present and future un-met local housing need in Cambridge.

### Policy Representations

Policy Ref	Pocket Living Representation	Justification/ Commentary
<b>Homes General</b>		
3.6	The overarching policy objective to provide enough homes to meet objectively assessed local need, including housing that is affordable to buy, is strongly supported. This policy should however specifically reference the need to 'significantly increase the number of affordable ownership homes for those who can't afford to buy their own homes'.	The NPPG confirms (Paragraph: 020 Reference ID: 2a-020-20190220) that affordable housing need includes <u>those that cannot afford their own homes, either to rent, or to own, where that is their aspiration</u> . The British Social Attitudes Survey (2018) reports that c.87% of households aspire to own their own home. On this basis, nearly all households presently living in the Greater Cambridge private rented sector can be assumed to be in need of an affordable ownership home option. This conclusion is supported by the Council's Housing Strategy (2019) evidence base which confirms demand for low-cost home ownership options outstrips supply (page 11).

		<p>However, the Council's Housing Needs of Specific Groups (2021) evidence base report significantly understates the scale of this need by assuming only households who can't afford a home costing £200,000 or more require affordable home ownership. Homes at this very low price point are unlikely to be of reasonable quality and/or in the right locations close enough to where people work (e.g Cambridge City Centre). The assessment also incorrectly assumes all those who can't afford private rents would be unable to afford to access affordable home ownership products. This is not the case in many locations (including within Cambridge City Centre) where private rents (£1,000 PCM) can exceed mortgage payments on discounted market sale homes (£790 PCM).<sup>1</sup></p>
<b>Affordable Housing</b>		
H/AH	<p>The policy objective to require the delivery of new affordable home ownership products on all sites is strongly supported (except where solely Build to Rent). This policy should however specifically reference strong support for developments where the large majority (75%+) of homes are proposed as affordable home ownership products regardless of the size of these homes.</p>	<p>The need to significantly increase the delivery of home ownership products within Greater Cambridge is highlighted throughout the Councils Housing Strategy (2019) evidence base. Specifically, the strategy notes lack of affordable homes within commuting distances is having a negative impact on economic growth (page 10) and there is a need to provide housing for essential key workers (page 16). Proposals for a high proportion of this type of affordable housing should therefore be afforded strong policy support to encourage their delivery regardless of the overall mix of tenures and unit sizes proposed.</p>
H/AH	<p>This policy should include an exemption to First Homes and/or any other specific tenure split requirements where the large majority (75%+) of housing is proposed as affordable housing (as defined by Annex 2 of the NPPF).</p>	<p>Encouraging the delivery of schemes in which the large majority of homes (75%+) are affordable homes is important for increasingly and accelerating the delivery of new affordable homes and meeting unmet local housing need. Requiring these very important schemes to also provide First Homes and or other specific tenures would make them less viable/attractive for Registered Providers and other SME affordable housing developers such as Pocket. The need to support SME developers to widen housing choice is noted in the Council's Housing Strategy (2019) evidence base (page 21). Flexibility on tenure for schemes providing more than 75% affordable housing has successfully been implemented in London through Policy H5 of the London Plan (2021) and has supported increased affordable housing delivery.</p>
H/AH	<p>The affordable housing target for schemes which provide a mix of Build to Rent and conventional homes should be a blend of both targets (apportioned according to the number of homes proposed). The targets for</p>	<p>It is widely acknowledged that Build to Rent is less viable than conventional private sale housing due to its distinct economics. This should be reflected in the affordable housing policy target to ensure this type of housing remains viable and deliverable. If the policy target for a mix of housing types (including Build to Rent) is the same</p>

<sup>1</sup> \*Pocket & Private Sale based on 15% Deposit, 3% Mortgage and a 35 Year Term. Private 1 Bed (non-compact) OMV £350,000. Private Rent is based on the 1 Bedroom Cambridge Median (ONS 2020).

	each housing type should be set with reference to relevant viability evidence.	percentage as for a solely conventional sale scheme it is unlikely to be viable and deliverable. Setting an undeliverable policy target may discourage developers from bringing forward much needed new housing in Greater Cambridge.
<b>Housing Mix</b>		
H/HM	The proposed flexibility for consideration to be given to site specific circumstances when determining an appropriate unit size mix is strongly supported. This policy should however include specific reference to 'the nature and location of the site and the type of housing proposed'.	It is not always possible and/or appropriate to provide a specific defined mix of unit sizes. For example, some locations are better suited to smaller households than large families (e.g Town Centres). Moreover, smaller brownfield sites in urban locations tend to have a range of constraints beyond planning requirements which make it difficult to offer a range of sizes. For example, Pocket's scheme at Newmarket Road in Cambridge City Centre could not come forward for re-development if it were required to provide a range of unit sizes due to its highly constrained nature. The addition of this policy reference is therefore critical for ensuring the right homes are built in the right locations and the efficient use of brownfield land for housing delivery. The exact type of housing product proposed may also be more or less suited to particular unit sizes (e.g rents vs sale). Finally, the delivery of smaller unit sizes can indirectly free up highly suitable family homes (with front doors and gardens) presently used as HMO's or informal house shares. The delivery of housing for single persons therefore provides an important opportunity to create family homes.
H/HM	This policy should include flexibility on unit mix where the large majority (75%+) of housing is proposed as affordable housing.	Encouraging the delivery of schemes in which the large majority of homes (75%+) are affordable homes is important for increasingly and accelerating the delivery of new affordable homes and meeting unmet local housing need. Requiring these schemes to provide prescribed unit mix may make them less viable/ attractive for Registered Providers and SME developers of affordable housing such as Pocket. The need to support SME developers to widen housing choice is noted in the Council's Housing Strategy (2019) evidence base (page 21). The Council's evidence base illustrates there is significant un-met need for all unit sizes in Greater Cambridge. Allowing some schemes greater flexibility to focus on a particular unit sizes in order to encourage their delivery would therefore make an important contribution to meeting local needs. Attempting to require every scheme to meet every type of housing need (regardless of the nature of the site, proposal or developer) is likely to result in a reduction in housing delivery and fewer needs being met.
H/HM	This policy should include specific reference to the need to 'provide affordable ownership housing for young single person households'.	The growing needs of young single person households is recognised by the Council's housing evidence base which notes Cambridge has one of the 'youngest' populations in the country with people aged 24 and under making up around 37% of the City's population (page 12). This cohort typically comprises young single person households who have been forced to live in low quality overcrowded or otherwise unsuitable shared rental

		housing or leave the area. These households are largely aspiring first time buyers who cannot afford to buy locally within a reasonable commuting distance (Cambridge City Centre now has one of the longest average commute times of all UK cities). The number of single person or other households without children in Cambridge City Centres also projected to increase significantly (+8%) by 2043 whilst the number of households with children decreases (-17%) (ONS 2021).
<b>Housing Density</b>		
H/HD	The policy objective to deliver higher densities on sites with good accessibility is strongly supported. This policy should however specifically reference the need to deliver smaller unit sizes, such as 1 bedroom 1 person homes, in these locations.	Sites located in Town Centres and/ or close to transport interchanges are highly suited to increased densities of housing and people. They are typically however less suited to families. The delivery of smaller unit sizes, such as 1 bedroom 1 person homes, will therefore be important for maximising housing density on these sites.
H/HD	The proposed design led approach for making best use of land is strongly supported. This policy should however specifically recognise that smaller more constrained sites are likely to be better suited to smaller unit types (i.e those designed for individuals instead of large families).	Constrained sites tend to have fewer opportunities for providing private amenity space and play space. They are therefore better suited to higher densities of smaller unit sizes. Encouraging roof gardens and other innovative uses of community space should be sought in these of locations.
<b>Residential Standards</b>		
H/SS	The policy objective for all homes to meet national internal space standards is strongly supported. The policy should recognise it is not always possible for every home to have direct access to a balcony or other private amenity space where the site is constrained. It should also recognise that it is also not always necessary (e.g where the homes are designed for individuals instead of families).	Housing delivered on constrained sites may not be able to accommodate balconies and/or other private amenity space. It may also be extremely challenging to provide lift access and/or any dual aspect homes without rendering schemes unviable (noting these types of previously developed site typically have significant viability challenges which require a critical mass of development). Delivery of housing on these sites should not however be discouraged. Delivering housing for smaller households (i.e single person households) who are in housing need but far less reliant on amenity space and lift access than couples and families will ensure these sites can be unlocked thus making the best and most efficient use of available brownfield housing land. It is for this reason 1 bed 1 person homes are not nationally required to provide balconies. Attempting to require schemes on constrained sites to meet the same standards expected in less constrained sites is likely to result in a significant reduction in housing delivery and the needs of fewer households being met overall.
<b>Build to Rent</b>		
H/BR	The policy objective to create mixed and balanced communities is supported. This strategic policy should not however set arbitrary restrictions on minimum or maximum proportion of	The amount of Build to Rent housing which is suitable for a scheme or site should be determined having regard to a range of factors including local housing need, the nature of the site and the existing composition of housing locally. It is not appropriate or necessary to set arbitrary limits. This may frustrate the delivery of much needed housing

	homes which can be Build to Rent within individual schemes.	in locations where it is appropriate. The need to support housing delivery from a diverse range of developers is critical as highlighted by the Letwin Review (2018). Supporting the delivery of Build to Rent in appropriate locations is consistent with the overall aim of the Councils housing strategy (2019) evidence base which aims to provide wide and varied choice to meet needs of wide range of households. Failure to support Build to Rent will reduce overall delivery of good quality rental homes (of which there has been limited amount in Cambridge).
H/BR	The policy requirement for Build to Rent developments to provide 20% of the homes as affordable private rent is supported. The policy should however be clear that this assumes a 20% discount to market rent.	The proposed 20% target is in line with national planning policy. National policy is however clear that the 20% target assumes 80% of market rent (NPPG Paragraph: 002 Reference ID: 60-002-20180913). It also confirms that where a greater discount is proposed this will need to be balanced against the quantum.
H/BR	The policy requirement for the affordable homes to be distributed in a set way is unnecessary.	The affordable housing in a Build to Rent scheme is tenure blind (indistinguishable from the private) and is managed by the same operator. There is therefore no need to prescribe how it is distributed provided all tenants have access to the same on-site services and amenities.
<b>HMO's</b>		
H/MO	The policy requirement which ensures new HMO's are provided in suitable locations with appropriate facilities is supported. This policy should however provide support for the delivery of purpose-built self-contained housing for single person households.	There is a significant and growing unmet need for housing for young single person households. Whilst delivering more HMO's would provide somewhere for these households to live in the short term, requiring more unrelated households to share is not an appropriate long term solution. This has recently been highlighted by the COVID19 pandemic which illustrated those living in HMO's has on average just 9 square meters of private space to live and work from (LSE 2020). Furthermore, without purpose-built self-contained alternatives the number of HMO's required to meet the needs of existing sharers presently living in unregulated/ unsuitable housing would be significant. This would require high concentrations of HMO's and/or loss of existing family homes. Delivering purpose-built housing for single person households would reduce the need for HMO's.

## Summary

We hope these representations will be informative in formulating the next version of the plan. If you have any questions or would like to meet to discuss our comments further, please don't hesitate to contact us.