



1 Example Street London SW1A 1AA

AFFORDABLE HOUSING STATEMENT

On behalf of Example Developments Ltd

Wren

Wren is a trading name of Shonaïke Finance Ltd (Company No. 16406111). Registered office: 3rd Floor, 86-90 Paul Street, London, EC2A 4NE.

Regulated by the Royal Town Planning Institute

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Executive Summary

- 1.1 This Affordable Housing Statement is submitted by Wren on behalf of Example Developments Ltd in support of a full planning application for the change of use and conversion of the vacant upper floors of 1 Example Street, London SW1A 1AA, to ten flats within Class C3, with the ground-floor Class E unit retained.
- 1.2 The proposal creates ten dwellings and 26 habitable rooms. It is major development, and the affordable housing requirement in Policy H4 of the Example Borough Local Plan (2024) is engaged. That policy requires 35 per cent of habitable rooms on schemes of ten or more dwellings to be affordable, with not less than 60 per cent of the affordable habitable rooms provided as Social Rent. The requirement is therefore 9.1 habitable rooms.
- 1.3 The scheme provides three affordable units — two two-bedroom three-person units for Social Rent and one one-bedroom two-person unit for intermediate rent — giving 8 habitable rooms, or 30.8 per cent. Social Rent accounts for 6 of the 8 affordable habitable rooms, or 75 per cent, which exceeds the policy minimum. Provision is on site, tenure-blind and compliant with the nationally described space standard in every unit.
- 1.4 The scheme therefore falls short of the policy requirement by 1.1 habitable rooms, or 4.2 percentage points. That shortfall is the subject of a viability appraisal prepared by a RICS-registered valuer and submitted separately, and it is a matter to which DM5 of the National Planning Policy Framework (August 2026) applies. This Statement does not assess viability and does not ask the Council to accept a viability case on its authority; the limits of what a chartered planner can properly certify are set out at Section 6, and this Statement is issued on the basis that it requires the counter-signature of the viability consultant as well as of the planner.
- 1.5 The Applicant does not seek to rely on the vacant building credit in HO8(4). The reasons are given at Section 4 rather than left unstated, because the credit would if claimed produce a materially larger reduction than the shortfall now sought, and a decision-maker is entitled to know why it has not been claimed.
- 1.6 Provision is to be secured by a planning obligation under section 106 of the Town and Country Planning Act 1990 in the terms set out at Section 5.

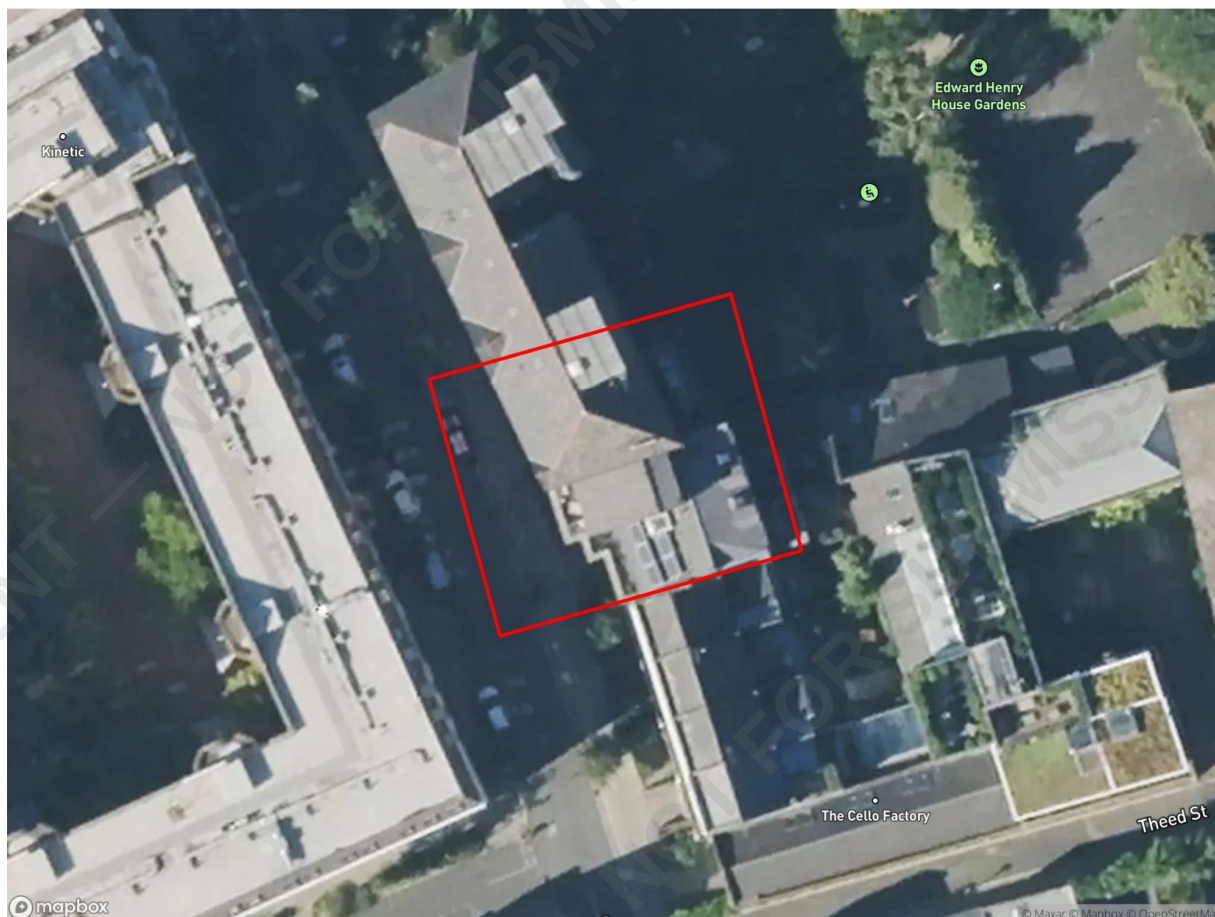


Figure 1.2 Aerial Context

Source: Mapbox / Maxar

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Introduction

2.1 Purpose

- 2.1.1 This Statement sets out the affordable housing position for the proposed development: the quantum of residential development proposed, the policy requirement engaged by it, the provision offered, the tenure and the mechanism by which it is to be secured, and the extent of and reasons for the shortfall against policy.
- 2.1.2 This is a specimen document. The address, the applicant, the council, the planning references, the local plan policy numbers and every quantity in it are illustrative and do not relate to any real site, application or development plan. The statutory provisions and the National Planning Policy Framework policies cited are real and current. The figures are produced by the same mapping pipeline that generates imagery for a live Wren document, and are drawn over a genuine Ordnance Survey base at an indicative inner-London location; that location is not the address given on the cover.

2.2 The scheme

- 2.2.1 Change of use and conversion of the first, second and third floors from Class E to ten flats within Class C3, with the ground-floor Class E unit of 368 square metres retained in commercial use. All ten dwellings are created within the existing building envelope. No floorspace is created and none is lost.

Table 2.1: Residential quantum

Measure	Figure
Dwellings created	10
Net additional residential gross internal area	704 sq m
Net internal residential area (units only)	608 sq m
Habitable rooms created	26
Site area	0.05 ha

2.3 The habitable room count

- 2.3.1 The habitable room count is the measure on which Policy H4 operates, so it is set out rather than asserted. A habitable room is counted as a living room or a bedroom; kitchens, bathrooms, halls and stores are excluded.

Table 2.2: Habitable rooms by unit type

Unit type	Number of units	Habitable rooms each	Total
1 bed, 2 person	4	2	8
2 bed, 3 person	4	3	12
2 bed, 4 person	2	3	6
Total	10	—	26

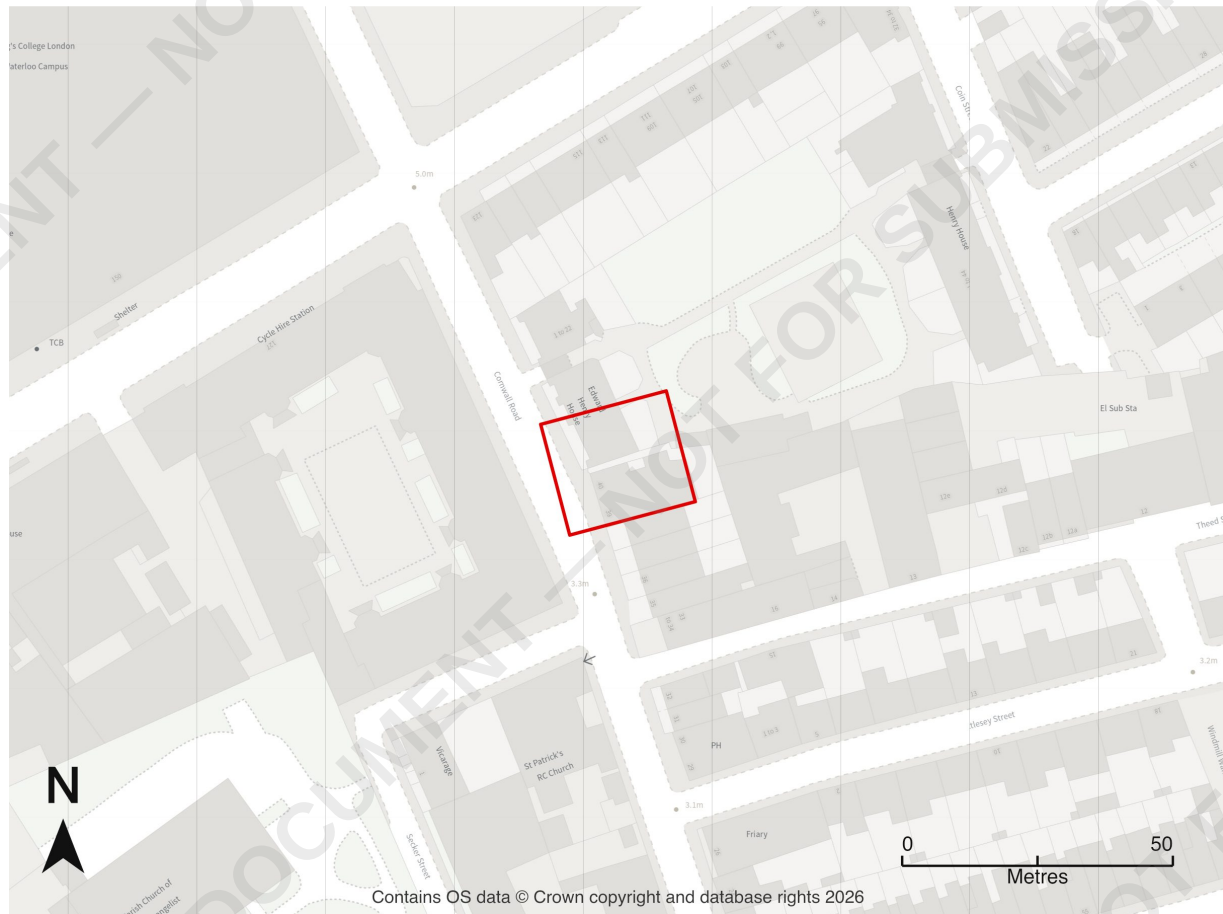


Figure 1.1 Site Location Plan

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The Policy Requirement

3.1 The development plan requirement

3.1.1 Policy H4 of the Example Borough Local Plan (2024) is the policy that governs. Its material terms are these. This policy number and its terms are illustrative; a live Wren document quotes the adopted policy text retrieved from the council's own plan and is refused publication if the citation cannot be verified against it.

Development proposals creating ten or more dwellings shall provide not less than 35 per cent of habitable rooms as affordable housing. Not less than 60 per cent of the affordable habitable rooms shall be provided as Social Rent, the remainder as intermediate housing. Affordable housing shall be provided on site and shall be indistinguishable in external appearance, materials and access arrangements from the market housing on the same site. A payment in lieu will be accepted only where the applicant demonstrates that on-site provision is not practicable.

3.2 Whether the threshold is engaged, and on which measure

- 3.2.1 Policy H4 sets its threshold by number of dwellings, not by floorspace. The scheme creates ten dwellings. Ten is not fewer than ten. The threshold is engaged.
- 3.2.2 That is stated plainly because the measure matters: had the policy set its threshold by floorspace, or had it used a net rather than a gross measure, the answer might have differed, and a statement which records only that "the threshold is engaged" leaves the decision-maker unable to check.
- 3.2.3 The scheme is also major development for the purposes of the Framework and of the Development Management Procedure Order, comprising ten or more dwellings.

3.3 The requirement in figures

Table 3.1: The policy requirement

Step	Calculation	Result
Habitable rooms created	—	26
Policy requirement	26 × 35%	9.1 habitable rooms
Minimum Social Rent proportion	60% of the affordable habitable rooms	—

3.4 National policy

- 3.4.1 HO8(1) requires development proposals to meet or exceed up-to-date development plan requirements for the proportion and mix of affordable housing tenures relevant to the location, including the minimum proportion of Social Rent, and requires provision on site unless off-site delivery would optimise the quality or quantity of affordable homes built, or a cash payment in lieu can be justified robustly and the agreed approach contributes towards the objective of creating mixed and balanced communities.
- 3.4.2 HO7 requires substantial weight to be given to the benefits of providing homes which will contribute towards meeting the evidenced accommodation needs of the community. That weight attaches to the affordable homes proposed as well as to the market homes.
- 3.4.3 DM5 governs development viability and is addressed at Section 6.
- 3.4.4 HO8(2), which concerns military affordable housing, is not engaged. HO8(3), which requires a flexible approach to development plan requirements for the number of bedrooms in market homes where a proposal meets or exceeds the affordable housing requirement, is not engaged either, the proposal not meeting the requirement.

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The Provision Offered

4.1 The affordable units

Table 4.1: Affordable housing provision

Unit	Type	GIA (sq m)	Habitable rooms	Tenure
Unit 3	2 bed, 3 person	64	3	Social Rent
Unit 7	2 bed, 3 person	64	3	Social Rent
Unit 5	1 bed, 2 person	52	2	Intermediate rent
Total	3 units	180	8	—

4.2 Provision against requirement

Table 4.2: Provision measured against Policy H4

Measure	Policy requirement	Provided	Position
Affordable habitable rooms	9.1 (35%)	8 (30.8%)	Shortfall of 1.1 rooms
Social Rent as a proportion of affordable	Not less than 60%	6 of 8 (75%)	Exceeds requirement
Location of provision	On site	On site	Complies
Tenure-blind design	Required	Provided	Complies
Affordable units as a proportion of dwellings	Not specified by policy	3 of 10 (30%)	—

4.2.1 The shortfall is 1.1 habitable rooms, or 4.2 percentage points against the 35 per cent requirement. It is stated in both forms because a percentage alone conceals how small the absolute figure is, and an absolute figure alone conceals the distance from the policy.

4.3 Why the tenure mix is as it is

- 4.3.1 Policy H4 requires not less than 60 per cent of the affordable habitable rooms as Social Rent. The scheme provides 75 per cent. The two Social Rent units are the two-bedroom three-person units rather than the one-bedroom units, which reflects the Council's most recent housing needs assessment, recording the greatest unmet need in the borough for two-bedroom social rented family accommodation. Providing the larger units at the tenure of greatest need, rather than meeting the 60 per cent minimum with the smallest units available, is a deliberate allocation and it is the reason the Social Rent proportion exceeds the minimum by 15 percentage points.

4.4 Tenure-blind design

- 4.4.1 Policy H4 requires the affordable housing to be indistinguishable in external appearance, materials and access arrangements from the market housing on the same site. HO8(1)(b) records the objective of creating mixed and balanced communities.
- 4.4.2 The scheme satisfies that requirement in the way a conversion of a single building can, and the reason it can is worth stating: there is one building, one entrance, one core and one lift, so there is no scope for a separate entrance or a separate service standard even if one were wanted. Specifically:
- 4.4.3 All ten dwellings are entered from the single residential entrance on Example Street and reached by the same stair and lift core. There is no separate affordable entrance and no separate circulation.
- 4.4.4 The three affordable units are distributed across two floors rather than grouped: Units 3 and 5 are on the first floor and Unit 7 on the second, in each case adjoining market units.
- 4.4.5 External appearance is identical, all units being served by the same replacement timber sash windows in the same openings.
- 4.4.6 Internal specification – kitchen and bathroom fittings, floor finishes, ironmongery, heating and ventilation – is identical across all ten units, and the specification schedule is offered to be appended to the planning obligation so that the point is enforceable rather than aspirational.
- 4.4.7 Cycle and refuse provision is shared and undifferentiated.

4.5 Space standards

- 4.5.1 Every affordable unit meets the nationally described space standard, as does every market unit. The standard is not a matter of the Council's discretion in a scheme of this kind and compliance is demonstrated rather than asserted.

Table 4.3: Compliance with the nationally described space standard

Unit Type	GIA provided (sq m)	Minimum, 1 storey (sq m)	Built-in storage provided (sq m)	Minimum (sq m)
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Unit	Type	GIA provided (sq m)	Minimum, 1 storey (sq m)	Built-in storage provided (sq m)	Minimum (sq m)
Unit 3	2b3p Social Rent	64	61	2.2	2.0
Unit 7	2b3p Social Rent	64	61	2.2	2.0
Unit 5	1b2p Intermediate	52	50	1.6	1.5

4.5.2 Every unit has at least one double or twin bedroom of not less than 11.5 square metres, no single bedroom of less than 7.5 square metres or narrower than 2.15 metres, and a floor-to-ceiling height of not less than 2.3 metres over at least 75 per cent of its gross internal area.

4.6 The vacant building credit, and why it is not claimed

- 4.6.1 HO8(4) provides that where development proposals include the reuse or redevelopment of vacant buildings, any affordable housing contributions which are due should be reduced by a proportionate amount equivalent to the gross floorspace of the existing building or buildings, and that this does not apply to vacant buildings which have been abandoned or to major development on land within or released from the Green Belt.
- 4.6.2 The upper floors of this building have been vacant since 2018 and marketed continuously since 2019. They are vacant and they have not been abandoned. Were HO8(4) engaged, the reduction would be proportionate to the gross floorspace of the existing building, and since the whole of the residential development is created within existing floorspace, the reduction would extinguish the requirement entirely.
- 4.6.3 The Applicant does not claim it. The reason is that HO8(4) speaks of the reuse or redevelopment of vacant buildings, and this building is not a vacant building. Its ground floor, comprising 368 square metres of the 1,072 square metres in the building, has traded throughout and is retained in use by the proposal. A building of which a third is in continuous active occupation is an underused building, not a vacant one, and the Applicant's position is that the credit is not available on those facts.
- 4.6.4 That position is adverse to the Applicant's own interest and is stated for that reason. A statement which claimed the credit, extinguished the requirement and offered three affordable units as a gesture would be worth nothing to a decision-maker, and would not survive the first question an experienced officer asked about the ground floor.

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The Section 106 Mechanism

5.1 The instrument

- 5.1.1 The affordable housing is to be secured by a planning obligation under section 106 of the Town and Country Planning Act 1990, entered into by the Applicant and by the freeholder, and completed before the issue of any planning permission. A draft is submitted with the application.

5.2 The obligations offered

- 5.2.1 The following obligations are offered. Each is drafted to satisfy the tests DM6 applies to obligations — that they be necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind to it — and each is a restriction, requirement or covenant capable of being enforced against successors in title.
- 5.2.2 Identification of Units 3, 5 and 7 as the affordable units by reference to the approved drawings, so that the units are fixed and cannot be substituted for smaller ones.
- 5.2.3 Provision of Units 3 and 7 as Social Rent and Unit 5 as intermediate rent, in perpetuity, with the tenures defined by reference to the Framework's glossary definitions as they stand at the date of the obligation.
- 5.2.4 A restriction on occupation of more than six of the seven market units until the three affordable units have been transferred to a registered provider approved by the Council and are available for occupation.
- 5.2.5 A covenant that the internal specification of the affordable units will accord with the specification schedule appended to the obligation, which is the same schedule as for the market units.
- 5.2.6 A nominations agreement giving the Council nomination rights on first and subsequent lettings.
- 5.2.7 A mortgagee exclusion clause in the Council's standard form.
- 5.2.8 A restriction on the future disposal of the affordable units other than to a registered provider, and a covenant not to exercise or facilitate any statutory right to acquire in respect of them.
- 5.2.9 An obligation excluding future occupiers of all ten units from eligibility for a parking permit in the controlled parking zone, which is not an affordable housing obligation but is recorded here because it forms part of the same instrument.

5.3 Why on-site provision and not a payment in lieu

- 5.3.1 Policy H4 accepts a payment in lieu only where on-site provision is not practicable, and HO8(1) permits a cash payment only where it can be justified robustly and contributes to mixed and balanced communities. On-site provision is practicable here and is offered. No payment in lieu is sought and no calculation of one is presented, because the question does not arise.

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Viability and the Limits of this Statement

6.1 The shortfall

- 6.1.1 The scheme provides 8 affordable habitable rooms against a policy requirement of 9.1. The shortfall is 1.1 habitable rooms, or 4.2 percentage points.

6.2 Why the shortfall arises, in outline

- 6.2.1 The shortfall arises because the building's structural grid does not divide into a unit mix that yields 9.1 affordable habitable rooms without either reducing the total unit count or producing units below the nationally described space standard. Adding a fourth affordable unit would take provision to 10 or 11 habitable rooms, materially above the requirement, and the appraisal concludes that the scheme could not then be delivered. Providing 9.1 habitable rooms exactly is not possible: habitable rooms come in units, and the available combinations are 8 or 10.
- 6.2.2 That is a statement of the arithmetic and of the physical constraint. It is not a viability conclusion.

6.3 The viability appraisal

- 6.3.1 The financial case for the shortfall is made in the viability appraisal submitted separately with the application. That appraisal has been prepared by a RICS--registered valuer in accordance with the RICS professional statement on financial viability in planning, and it addresses the existing use value, the benchmark land value, the gross development value, the build and abnormal costs of a conversion of a mid-nineteenth-century building in a conservation area, finance, profit on cost, and the resulting residual value at different levels of affordable provision.
- 6.3.2 DM5 provides the policy route by which such a case is assessed. It contemplates that viability may be a consideration at the decision-taking stage where circumstances justify it, and that the weight to be given to a viability assessment is a matter for the decision-maker having regard to all the circumstances, including whether the plan and the viability evidence underpinning it are up to date.
- 6.3.3 The Applicant offers a review mechanism in the planning obligation: if the development is not substantially commenced within 24 months of the grant of permission, a late-stage review of viability is to be carried out on the Council's standard methodology, with any surplus applied to an additional affordable housing contribution capped at the value of the 1.1 habitable room shortfall.

6.4 What this Statement does not do

- 6.4.1 This Statement does not assess viability, does not verify the inputs to the appraisal, does not express an opinion on the benchmark land value, and does not ask the Council to accept the viability case on the authority of its author.
- 6.4.2 That limit is not a formality. A chartered town planner is competent to identify the policy requirement, to measure the provision against it, to assess the tenure mix and the space standards, to settle the mechanism and to draw the planning conclusions. A chartered town planner is not competent to certify a residual land value appraisal: that is a separate discipline with its own evidential standards, its own professional statement and its own professional exposure, and a planner who signed it alone would be signing outside their competence.
- 6.4.3 This Statement is accordingly issued for counter-signature by the RICS-registered valuer responsible for the appraisal, in addition to the chartered town planner, and the Council is invited to treat the viability case as made by that valuer and not by the author of this Statement.

6.5 Conclusion

- 6.5.1 The affordable housing requirement in Policy H4 is engaged. The scheme provides three affordable units on site, comprising 8 of the 26 habitable rooms, with a Social Rent proportion of 75 per cent against a policy minimum of 60 per cent, tenure-blind in appearance, access and specification, and compliant with the nationally described space standard in every unit.
- 6.5.2 Provision falls 4.2 percentage points below the policy requirement. That shortfall is supported by a viability appraisal prepared by others under DM5, is mitigated by the late-stage review mechanism offered, and is to be weighed against the delivery of three affordable homes and seven market homes to which HO7 requires substantial weight to be given, on a site which has produced no housing at all in the eight years the upper floors have stood empty.

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Signed

Date



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