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Affordable Housing Statement

Land at the corner of Caxton Road and Mayes Road, London, N22

Prepared on behalf of Caxton Road LLP

March 2020

Contents

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1. Introduction and Instructions

Red Loft LLP is instructed by Caxton Road LLP ("the Applicant") to produce an Affordable Housing Statement ('AHS') in support of a planning application ("the Application") for the development at the corner of Caxton Road and Mayes Road, Wood Green, London, N22, London Borough of Haringey ("the Site").

This Affordable Housing Statement is submitted on behalf of the Applicant.

The Remainder of this report is set out as follows:

- The Proposed Development
- Planning Context: Affordable Housing
- Detailed Affordable Housing Proposal: Tenure and Mix of Units
- Income Levels and Affordability
- Conclusion

2. The Proposed Development

2.1. Introduction

A detailed description of the Site and its surroundings is contained within the Planning Statement. A summary is therefore provided in the section below.

2.2. The Application

The Applicant is submitting a planning application for a development including:

- Demolition of existing building;
- Erection of a 6-9 storey building providing 75 residential flats (Use Class C3);
- 952 m2 commercial space;
- Associated infrastructure;
- Landscaping works.

Full floorplans for the Development are submitted in accompaniment to the application.

A summary of the proposed area schedule is set out in Table 1 below.

Table 1: Proposed Area Schedule

Level	Residential Units						Non-Residential Units
	Mix					NIA (m²)	Commercial Units
	1B2P 50m²	2B3P 61m²	2B4P 70m²	3B5P 86m²	Total		GIA (m²)
Ground Floor							743.97
1	3		3	2	8	532	208.32
2	2	1	6	3	12	855	
3	2	1	6	3	12	855	
4	2		6	3	11	792	
5	6		6		12	734	
6	6		6		12	734	
7	1		3		4	260	
8	1		3		4	265	
Total	**23**	**2**	**39**	**11**	**75**	**5,027**	**952.29**

2.3. Private Residential Housing

The Proposed Development includes a total of 75 units. 50 properties will be for private residential located in Block A, which represents 66.7% on a unit basis, and 63.4% on a habitable room basis, of the total residential provision within the Development.

The provision of private residential units comprises 15 one bedroom dwellings and 35 two bedroom dwellings across the development.

2.4. Affordable Residential Housing

25 units will be for affordable tenures, which is equivalent to 33.3% on a unit basis and 36.6% on a habitable room basis. The breakdown of the affordable tenures will comprise 10 Shared Ownership units and 15 London Affordable Rent units.

The specific breakdown of each tenure by unit type is summarised in Table 2 and Table 3 below.

Table 2: Summary Based on the Number of Units

Tenure	1B	2B	3B	Total	Split
Private Sale	15	35	0	50	66.7%
	30%	70%	0%	100%	
Shared Ownership	8	2	0	10	13.3%
	80%	20%	0	100%	
Rented	0	4	11	15	20%
	0%	27%	73%	100%	
Total	23	41	11	75	100%
	31%	55%	15%	100%	

Table 3: Summary Based on the Number of Habitable Rooms

Tenure	1B	2B	3B	Total	Split
Private Sale	30	105	0	135	63.4%
	22%	78%	0%	100%	
Shared Ownership	16	6	0	22	10.3%
	73%	27%	0	100%	
Rented	0	12	44	56	26.3%
	0%	21%	79%	100%	
Total	46	123	44	213	100%
	22%	58%	21%	100%	

Further detail is provided in Section 4 of this report.

3. Planning Context

3.1. Introduction

In this section a brief overview of relevant planning background to the Development is provided. A more detailed assessment is covered within the Planning Statement, which is submitted to the London Borough of Haringey ('LBH') as part of the Application. This section also provides an overview of key planning policies associated at national, regional and local level including an overview of the planning background relating to the Application. Reference should be made to the National Planning Policy Framework ('NPPF'), the Planning Practice Guidance ('PPG'), the London Plan, the Mayor's Housing SPG, LBH's local policies as well as the Intend to Publish New London Plan.

The affordable housing strategy for the Application has been set in accordance with National and Regional Planning Policy guidance and has had regard to the following:

- National Planning Policy Framework (2018), ('NPPF')
- The London Plan (2011) Consolidated with Alterations (March, 2016)
- Intend to Publish London Plan 2019 (December 2019)
- Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017), ('SPG')

Locally, LBH policies and guidance have been reviewed, including but not limited to Haringey's Local Plan Strategic Policies 2013 – 2026, Haringey's Housing Strategy 2017-2022, Intermediate Housing Policy Statement (2018) and the emerging Wood Green Area Action Plan.

3.2. National Planning Policy Framework

The revised National Planning Policy Framework (NPPF), updated in February 2019, sets out the Government's planning policies for England and how these should be applied. It provides a framework within which locally prepared plans for housing and other development can be produced.

The necessity of providing affordable housing is stated in the NPPF (paragraph 34):

> *"Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan."*

Affordable housing should, where possible, be discussed at pre-application stage (The NPPF (paragraph 41)):

> *"The more issues that can be resolved at pre-application stage, including the need to deliver improvements in infrastructure and affordable housing, the greater the benefits."*

Local Planning Authorities should specify their requirements for affordable housing and how they expect affordable housing to be delivered (The NPPF (paragraph 62)):

> *"Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required."*

A minimum of 10% affordable housing should be available for major developments (The NPPF (paragraph 64)):

> *"Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups."*

3.3. Planning Obligations

Planning Practice Guidance (paragraph: 002 reference ID: 23b-002-20190901) notes:

> *"Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms. They must be:*
>
> *a) necessary to make the development acceptable in planning terms;*
>
> *b) directly related to the development; and*
>
> *c) fairly and reasonably related in scale and kind to the development."*

Affordable Housing is an essential element and is required to be examined with in depth evidence (paragraph: 004 reference ID: 23b-004-20190901).

> *"Policies for planning obligations should be set out in plans and examined in public. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land.*
>
> *Such policies should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability. This evidence of need can be standardised or formulaic. However, plan makers should consider how needs and viability may differ between site typologies and may choose to set different policy requirements for different sites or types of development in their plans."*

The applicant should submit evidence on scheme viability for individual schemes (paragraph: 010 reference ID: 23b-010-20190315).

> *"Plans should set out the contributions expected from development towards infrastructure and affordable housing. Where up to date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. Planning obligations can provide flexibility in ensuring planning permission responds to site and scheme specific circumstances. Where planning obligations are negotiated on the grounds of viability it is up to the applicant to demonstrate whether particular circumstances justify the need for viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker."*

Discussion is encouraged at an early stage between related parties to ensure different elements within the scheme have been considered (paragraph: 013 reference ID: 23b-013-20190315).

> *"Discussions about planning obligations should take place as early as possible in the planning process. Plans should set out policies for the contributions expected from development to enable fair and open testing of the policies at examination. Local communities, landowners, developers, local (and national where appropriate) infrastructure and affordable housing providers and operators should be involved in the setting of policies for the contributions expected from development. Pre-application discussions can prevent delays in finalising those planning applications which are granted subject to the completion of planning obligation agreements."*

3.4. Regional Planning Policy

3.4.1. The London Plan (2011)

The London Plan, consolidated with alternations in March 2016, is a spatial development strategy (SDS) in Greater London Region to share responsibility between 32 London boroughs and the City of London. It sets out an integrated economic, environmental, transport and social framework for the development of London over the next 20–25 years. In addition, the Localism Act 2011 empowers boroughs set their local planning agendas and development plans for their area and these plans are also required to be in general conformity with the policies in the London Plan.

The London Plan further indicates housing should be maximised and optimised to respect the local context and character (Policy 3.4 Optimising Housing Potential). Housing developments should be of the highest quality internally and externally. Minimum space standards for new dwellings set out ensure the high quality accommodation has been provided and health & safety has been met. (Policy 3.5 Quality and Design of Housing Developments). Affordable family housing should be provided to accommodate smaller households and households with special needs. Different tenures should be flexible in renting as well as owning occupation to meet these requirements (Policy 3.8 Housing Choice).

Policy 3.11 Affordable Housing Targets further states:

> *"In order to give impetus to a strong and diverse intermediate housing sector, 60% of the affordable housing provision should be for social and affordable rent and 40% for intermediate rent or sale."*

Policy 3.12 Negotiating Affordable Housing on Individual Private Residential and Mixed Use Schemes indicates the maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes, considering current and future requirements for affordable housing at local and regional levels. The need to encourage rather than restrain residential development and promote mixed and balanced communities.

Policy 3.12 further states:

> *"Negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy, the implications of phased development including provisions for re-appraising the viability of schemes prior to implementation and other scheme requirements."*

The affordable housing thresholds are stated in Policy 3.13, Boroughs should normally require affordable housing provision on a site which has capacity to provide 10 or more homes.

3.4.2. Intend to Publish London Plan 2019 (December 2019)

The Intend to Publish London Plan 2019 was issued on 9 December 2019. The Secretary of State for Housing, Communities and Local Government has requested to extend the review period to 16 March 2020.

The New London Plan (Intend to Publish Version) looks to ensure that London's growth is Good Growth, which is socially and economically inclusive and environmentally sustainable. The London Housing Strategy sets out four principal approaches in support of this:

a) *Land assembly, where the Mayor will both directly assemble land for development and support boroughs, Housing Associations and other homebuilders to do so. This may be through direct investment or through supporting compulsory purchase of appropriate land. He will also focus resources on areas where land suitable for development is not coming forward.*

b) *Investing in housing and infrastructure, where the Mayor will put in place funding mechanisms to unlock development. This could include working with Transport for London to ensure transport improvements lead to increased delivery of homes and jobs, and will build on the current Housing Zones programme.*

c) *Diversifying the tenure mix of new homes, where the Mayor will provide funding to increase the number of new and affordable homes. This will include funding to support more innovative forms of housing delivery.*

d) *Increasing capacity, where the Mayor will lead an improvement in the skills, capacity and building methods of the construction industry.*

Policy H5 Threshold Approach to Applications sets out the further criteria for the threshold level of affordable housing, Fast Track Route and Viability Tested Route. The approach is in line with the GLA Affordable Housing and Viability SPG (2017), which is discussed further in section 3.4.3.

Applicants are strongly encouraged to take the Fast Track Route and the affordable housing provision should be maximised (4.5.1).

> *"4.6.11 To follow the Fast Track Route, the tenure of 35 per cent of homes must adhere to the tenure split set out in Policy H6 Affordable housing tenure. Where a scheme is delivering more than 35 per cent, the tenure of the additional affordable housing is flexible and should take into account the need to maximise affordable housing provision along with any preference of applicants to propose a particular tenure."*

A range of different affordable housing is encouraged, therefore the percentage provision is based on habitable rooms (4.5.3).

> *"The percentage of affordable housing on a scheme should be measured in habitable rooms to ensure that a range of sizes of affordable homes can be delivered, including family-sized homes."*

A flexible tenure mix is proposed in Policy H6 Affordable housing tenure:

> *The following split of affordable products should be applied to residential development:*

a) *a minimum of 30 per cent low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes*

b) *a minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared ownership*

c) *the remaining 40 per cent to be determined by the borough as low cost rented homes or intermediate products based on identified need*

A further preference of tenure type has been set out in the draft document as the Mayor's preferred affordable housing tenures are:

a) *Homes based on social rent levels, including Social Rent and London Affordable Rent*

b) *London Living Rent*

c) *London Shared Ownership*

The emerging policy also defines 'affordability', subject to different income caps and how they are applied in the Annual Monitoring Report. A definition of genuinely affordable housing is noted:

> *For dwellings to be considered affordable, annual housing costs, including mortgage (assuming reasonable interest rates and deposit requirements), rent and service charge, should be no greater than 40 per cent of net household income.*

The Intend to Publish New London Plan is aligned to the Mayor's Homes for Londoners Affordable Homes Programme 2016-21 funding guidance (The Mayor's Housing SPG).

3.4.3. Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017)

The Mayor's Affordable Housing and Viability SPG provides updated guidance on how affordable housing is assessed, and the approach to viability assessment work including review mechanisms. Detailed negotiation and discussion should be carried out with the Council as the local needs and results could vary from council to council.

The threshold approach includes the 'Fast Track Route' and 'Viability Tested Route'. Applications meet or exceed the 35 per cent of affordable housing without public subsidy can follow a 'Fast Track Route'. A detailed viability assessment is not required at the application stage.

> *"This SPG introduces a 'threshold approach', whereby schemes meeting or exceeding 35 per cent affordable housing without public subsidy can follow a 'Fast Track Route'. This means applicants are not required to submit viability information at the application stage, and applications are subject to review mechanisms only if an agreed level of progress on implementation has not been achieved within two years of consent being granted or as agreed with the LPA (2.3)."*

The 35 per cent threshold level will be monitored and reviewed in 2021 to determine whether this threshold should be increased.

> *"This SPG sets the threshold at 35 per cent of habitable rooms as affordable provision, the development of which was informed by analysis of past completions and approvals and the aim to have a threshold that will increase delivery of affordable housing. The approach will start to embed affordable housing requirements into land values across London (2.17)."*

An agreed level of progress on implementation will need to be made within two years or an Early Stage Viability Review will be triggered.

> *"To ensure an applicant fully intends to build the permission, an Early Stage Viability Review will be triggered if an agreed level of progress on implementation is not made within two years of the permission being granted or as agreed with the Local Planning Authority (P19)."*

The GLA offers flexibility in tenure mix on new development according to the specific policies of the Local Planning Authority:

a) at least 30 per cent low cost rent (social rent or affordable rent). An LPA may specify other levels of affordable rent they consider genuinely affordable;

b) at least 30 per cent as intermediate products, with London Living Rent and/ or shared ownership being the default tenures assumed in this category;

c) the remaining 40 per cent to be determined by the LPA taking account of the relevant Local Plan policy. Applicants should consider local policies and consult with LPAs to determine the relevant approach.

Further detail on the affordable tenure breakdown is discussed in Section 6 of the Statement.

3.5. Local Planning Policy

At a local level, LB Haringey's Local Plan Strategic Policies 2013 – 2026 (Consolidated with alterations since 2017) sets out the strategic policies for the borough. Haringey's Housing Strategy 2017 – 2022 sets out the strategic direction for housing activity in the borough, dealing with housing need, supply and the approach to quality and management of existing and new housing stock. The Development Management Development Plan Document (DPD), adopted in July 2017, sets out planning policies to help determine which developments are granted planning permission in Haringey. The Site Allocations Development Plan Document (DPD) also adopted in July 2017, sets out sites where the council expects significant developments to happen from now until 2026, along with a broad idea of what kind of buildings could be built there.

Strategic Policies 2 Housing sets out the Council's overall additional housing target from 2011 to 2026. The minimum target supply is 19,802 homes across the 15 years with 820 units per annum from 2011 to 2014 and 1,502 units per annum thereafter.

Affordable housing should be of high quality. Sites capable of delivering 10 units of more will be required to meet a Borough wide affordable housing target of 40% based on habitable rooms and subject to viability. Haringey Officers have confirmed that in instances where proposals deliver 35% affordable housing by habitable rooms, the Mayor's 'threshold' approach to viability is adopted. LB Haringey aims to deliver an affordable housing tenure split of 60% affordable rent and 40% intermediate housing, which is in line with the London Plan.

The preferred affordable housing mix, in terms of unit size and type of dwellings on individual schemes will be determined through negotiation and informed by up to date assessments of local housing need. Haringey Housing Strategy indicates schemes will be prioritised with the provision of family housing on suitable sites.

The LB Haringey Housing Strategy between locations in the Borough is summarised as follows:

> *"In the west of the borough, where property prices and land values are highest, we will encourage developers to exceed the minimum target of affordable housing by pooling resources with our housing association partners to provide good quality affordable rented accommodation. In Tottenham, where the level of social rented homes is already high, we are taking a different approach, promoting more affordable home ownership by requiring an affordable housing mix of 60% intermediate and 40% affordable rent (Page 15)."*

3.5.1. Rent Setting: Affordable Rent

Affordable rents should be set as a proportion of private rents. LB Haringey policy does not specify a type of Affordable Rent product, but notes registered providers should aim for average rents to be no more than 65% of local market rents. The proposed delivery of London Affordable Rent is in accordance with this approach. In addition, where providers do set rents above 65% of local market rents they should target those homes at working households who are not affected by the benefit cap. Homes where rents are below 65% of local market rents should be targeted at those in greatest need and whom the benefit cap affects. Table 4 below provides a guide to maximum Affordable Rent levels in Haringey. Table 5 is the dwelling mix for Affordable Rented Housing.

Table 4: Maximum Affordable Rent

Number of bedrooms	Maximum affordable rents as % of local market rents
One bedroom	Up to 80%
Two bedrooms	Up to 65%
Three bedrooms	Up to 55%
Four or more bedrooms	Up to 45%

Source: LB Haringey Housing Strategy 2017-2022

Table 5: Dwelling Mix for Affordable Rented Housing

Number of bedrooms	%
One bedroom	11%
Two bedrooms	45%
Three bedrooms	33%
Four or more bedrooms	11%
Total	100%

Source: LB Haringey Housing Strategy 2017-2022

3.5.2. Affordability: Shared Ownership

The three cost elements (mortgage costs on the percentage share purchased, rent charged on the unsold equity and service charges) should not exceed 45% of the net income received by a household. The LB Haringey Housing Strategy further states setting a cap at 40% is not realistic as the average housing costs reach 57% of the net income received by a household. Table 6 notes the target dwelling mix for Intermediate Housing.

Table 6: Dwelling Mix for Intermediate Housing

Number of bedrooms	%
One bedroom	30%
Two bedrooms	60%
Three or more bedrooms	10%
Total	100%

Source: Haringey's Housing Strategy 2017-2022

LB Haringey establish seven gross income bands across different tenures. These have been determined by applying the principle that weekly housing costs for households in each band are limited to 45% of net income. This approach means different housing products are provided will need to be aimed at different income bands as table 7 follows:

Table 7: Seven Gross Income Bands

Band	Gross Income	Affordable Products (assuming housing costs do not exceed 45% of net household income)
Band 1	Up to £17,000	Council and housing association homes at target rents

Band 2	£17,000-£ 40,000	Council and Housing Association homes and private rented homes within Local Housing Allowance
Band 3	£40,000-£56,000	Intermediate housing' at rents above Local Housing Allowance
Band 4	£ 40,000 upwards	Private rented homes above Local Housing Allowance
Band 5	£30,000-£40,000	'Lower Cost' Shared Ownership for lower income households, including those at or just above proposed Pay to Stay threshold (currently £40,000)
Band 6	£40,000-£90,000	'Higher Cost' shared ownership
Band 7	Above £90,000	Open market purchase

Source: Haringey's Housing Strategy 2017-2022

4. Detailed Affordable Housing Proposal: Tenure and Mix of Units

4.1. Affordable Housing Definition

The NPPF (2019) defines affordable housing as follows:

> *"Affordable Housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)"*

On the other hand, the London Plan (2016) further stated affordable housing is composed of social rented housing, affordable rented housing and intermediate housing. There is a range of different housing products to meet different needs and income level. All affordable housing products could be categorised into affordable housing for rent and intermediate housing to follow national and local policies.

4.1.1. Affordable Housing for Rent

According to the NPPF (2019), affordable housing for rent requires to meet the following criteria:

a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable)

b) the landlord is a registered provider.

c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

Affordable Housing for Rent is housing for low-income households and the rent levels varies between different housing products. These are briefly summarised as follows:

- Social Rent: the rents formula set out in the Rent Guidance and subject to the limit on rent changes and rent caps set out therein and subject to indexation as permitted by the Rent Standard or Rent Guidance from time to time. The rent payable is usually referred to Target Rent.

- Affordable Rent: no more than 80% of the local market rent including service charges if applicable capped at the Local Housing Allowance, and subject to other rent controls agreed between developers, providers and the Local Authority.

- London Affordable Rent: no more than 80% of the local market rent include service charges if applicable and no higher than the benchmark rents published by the GLA annually in accordance with the Mayor's Funding Guidance excluding service charges.

4.1.2. Intermediate housing: London Shared Ownership

Intermediate housing is for middle-income households and includes 'discount market rent' and 'low cost home ownership' products, such as London Shared Ownership.

- London Shared Ownership: a part-buy part-rent product where the household acquires a long-leasehold interest in the property based on a percentage share and pays a rent on the unsold equity. The household has the right to purchase more shares in a process called staircasing. According to the Intermediate Housing Policy Statement 2018, applicants with a gross household income of less than £90,000 will be eligible to purchase homes in the Borough, but the properties will target households with a maximum income of £40,000 for 1 and 2 bed properties, and £60,000 for larger properties in LBH.

4.2. Affordable Housing Proposal

The Development delivers a range of one bedroom, two bedroom and three bedroom housing, which meets the demands for a wide range of households through different tenures. Unit sizes are in line with GLA's requirements and the measurement has been in line with the RICS/ ISVA Code of Measuring Practice.

The proposed affordable housing offer is set out in the following table. The proposed level of affordable housing is in accordance with planning policy and equates to a mix of 60% Affordable Rented Housing and 40% Intermediate Housing.

Table 8: Proposed Affordable Housing Offer

Tenure	No. of Units	Percentage
Intermediate	10	40%
Rented	15	60%
Total	25	100%

Source: The Applicant

4.3. Financial Viability

The affordable housing proposal represents a provision of 33.3% (by unit) and 36.6% (by habitable room) in accordance with the local Policy Haringey Housing Strategy 2017-2022. This equates to 25 total affordable units that will be delivered within the Development.

As mentioned in Section 3.4.3, scheme achieves to the criteria for the 'Fast-Track' route, and as such a dedicated viability assessment is not required.

5. Income Level & Affordability

5.1.1. London Affordable Rent

2016-21 Affordable Homes Programme Funding Guidance sets out the chargeable rental levels excluding service charge for London Affordable Rent. The GLA will update its London Affordable Rent weekly rent benchmarks on an annual basis, updating each one by the increase in CPI plus 1% each April. The current weekly rent benchmarks for London Affordable Rent units excluding service charges are set out in table 9.

Table 9: London Affordable Rent - weekly rent benchmarks

Unit Size	2017/18	2018/19	2019/20	2020/21
Bedsit and one bedroom	£ 144.26	£ 150.03	£ 155.13	£ 159.32
Two bedrooms	£ 152.73	£ 158.84	£ 164.24	£ 168.67
Three bedrooms	£ 161.22	£ 167.67	£ 173.37	£ 178.05
Four bedrooms	£ 169.70	£ 176.49	£ 182.49	£ 187.42
Five bedrooms	£ 178.18	£ 185.31	£ 191.61	£ 196.78
Six or more bedrooms	£ 186.66	£ 194.13	£ 200.73	£ 206.15

Source: Greater London Authority 2020

Table 10 sets out affordability calculations for the London Affordable Rent units in line with the GLA requirement that no more than 40% of net household income including rent and service charges with net income assumed to be 70% of gross income.

Table 10: Income Affordability requirements for London Affordable Rents

Unit Size	Average Unit Size	London Affordable Rent	Service Charge	Total Weekly Housing Costs inc. SC	Estimated Annual Household Income
Bedsit and one bedroom	50.00	£155.13	£23.00	£178.13	£33,195
Two bedrooms	70.00	£164.24	£32.20	£196.44	£36,606
Three bedrooms	86.00	£173.37	£39.56	£212.93	£39,679

Service charges are paid in addition to rental charges and should reflect the level of maintenance provided within the Development for communal areas, at a reasonable and proportionate rate. As a rule of thumb, a standard £2 per sqft has been assumed for the Development, however this is subject to change once the detailed design and scheme specifications are completed.

5.1.2. London Shared Ownership

40% of the affordable housing provision will be delivered as intermediate housing and it is proposed to be London Shared Ownership. London Shared Ownership allow a home buyer to purchase a share in a new home, and pay rent based on the remaining, unsold share. Initial rents on the unsold equity of London Shared Ownership properties can be no more than 2.75 per cent of the value of the unsold equity at the point of initial sale.

According to the Intermediate Housing Policy Statement 2018 from LBH, the applicants must have a gross household income of less than £90,000 to be eligible to purchase but units will be targeted at households with a maximum income of £40,000 for 1 and 2 bed properties, and £60,000 for larger properties. The purchasers should have enough household incomes that could support an initial purchase of between 25 per cent and 75 per cent of the value of a property.

The Housing Strategy 2017-22 of LBH sets out that housing is affordable if the housing costs represent less than 45% of a household's net income. Those affordability assumptions are estimated at this stage but subject to change.

5.1.3. Potential Households for Affordable Housing

Table 11 shows the types of household that would be able to 'afford' the different tenures of Affordable Housing proposed. A range of example households has been provided including occupants for 'Lower Cost' Shared Ownership and 'Higher Cost' Shared Ownership which is in line with LB Haringey policy.

Table 11: Potential Households

Tenure	Dwelling Type	Potential Range of Household Income Required	Example Household
London Affordable Rent	2 Bedroom 4 People	£17K-40K	Bar Staff - £18,622 Customer Service -£19,959
	3 Bedroom 5 People	£17K-40K	Classroom Teacher -£28,355 Engineering Apprenticeship - £16,305
Shared Ownership	1 Bedroom 2 People	£30K-£40K	Gardener - £20,324 Retail Assistant - £16,622
	1 Bedroom 2 People	£50K-£55K	Part time Midwife - £22,926 Bus Driver - £34,164
	2 Bedroom 4 People	£68K-£77K	Nurse - £36,672 Police Community Support Officer - £30,507

6. Conclusion

The provision of 33.3% of affordable housing on a unit basis and 36.6% on a habitable room basis is in line with LBH's planning policy targets. The Proposed Development is in compliance with the tenure mix of 60% London Affordable Rent and 40% London Shared Ownership. The unit mix proposed meets policy requirements and accommodates smaller and larger household sizes to meet different needs.

Block B will be an entirely affordable housing block, which will contain 25 units. This will enable more sustainable and efficient management units in line with both the Council and GLA policies.

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