

Large-Scale Shared Accommodation Draft Supplementary Planning Document

December 2021

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1. Introduction

Overview

- 1.1 Large scale shared accommodation, commonly known as co-living, is a relatively new form of accommodation where residents rent a room within a purpose-built (or converted) development which has shared amenities and facilities on a short-term basis. This type of accommodation can provide an alternative to traditional flat or house shares and includes additional services and facilities, such as room cleaning, on site gyms, communal workspaces and a concierge service.
- 1.2 This Supplementary Planning Document (SPD) will help to ensure that co-living schemes provide quality residential accommodation supporting policies set out in Birmingham's Local Plan and the Council's objectives of creating sustainable neighbourhoods and better health and wellbeing for the city's residents.
- 1.3 This draft SPD is open to public consultation from 17th December 2021 28th January 2022 and the Council would like to hear your views on its content. Paragraphs 1.8-1.9 below tells you how you can submit comments to the consultation.

Purpose of this SPD

- 1.4 The SPD will apply to proposals for large scale shared living developments and will be used to assess planning applications for such development alongside the policies within the development plan and other material planning considerations. It will also be used by officers to provide pre-application advice and guidance.
- 1.5 This SPD provides further information on the implementation of policies in Birmingham's Local Plan including Policy TP30 'The type, size and density of new housing' in the adopted Birmingham Development Plan (BDP) and Policy DM12 'Residential conversions and specialist accommodation' in the Development Management in Birmingham Development Plan Document (hereafter known as 'the DMB').

How to comment on this draft SPD

The Council is seeking views on the content of this draft SPD between 13th December 2021 – 28th January 2022. The document can be viewed online at:

Beheard Co-living SPD

Please submit comments by no later than **28th January 2022** to: <u>planningstrategy@birmingham.gov.uk</u>

1.9 We cannot accept anonymous comments and you must provide us with your name and contact details. Your personal data will be processed in line with our Planning Policy Privacy Notice, which is available on the Council's website <u>Planning Policy Privacy Notice</u>

What happens after the consultation period?

1.10 All the comments received by the closing date will be considered and used to inform the final SPD. The consultation results will be reported in a Consultation Statement to the Council's Cabinet. The Council will make a decision about adopting the SPD. Once adopted it would be formal planning guidance and would have to be taken into account when the Council considers any relevant planning applications for large scale shared accommodation.

How this SPD has been prepared

1.11 This SPD has been prepared in accordance with the Planning and Compulsory Purchase Act 2004 and the Town & Country Planning (Local Planning) (England) Regulations 2012 has been informed by national and local planning policies.

Sustainability Appraisal and Strategic Environmental Assessment

- 1.12 There is no legal requirement for Supplementary Planning Documents to be accompanied by Sustainability Appraisal, and this is reinforced in national planning guidance. However, "in exceptional circumstances" there may be a requirement for SPDs to be subject to Strategic Environmental Assessment (SEA) where it is considered likely that they may have a significant effect on the environment that has not already been assessed within the SEA of the Local Plan. A screening assessment is being undertaken to assess whether such an assessment is necessary.
- 1.13 A screening exercise will also be carried out to determine whether the document gives rise to the need for Appropriate Assessment (under the Habitats Regulations).

2. Background

What is co-living?

- 2.1 There is no standard definition of co-living. Generally, co-living refers to large scale purposebuilt or converted managed developments for singles or couples without children that include a combination of small private living accommodation, that can comprise a mix of private studios and 'cluster-style flats' alongside communal kitchens, living areas and other amenities.
- 2.2 Co-living is relatively new to the UK; schemes are mainly focussed in London and are emerging in Birmingham and other large cities. The concept was originally developed in response to the affordability challenges faced by workers on below average salaries in some large American and European cities. They therefore provide a housing option for young professionals or recent graduates, singles or couples without children who cannot or choose not to live in self-contained homes of houses in multiple occupation. They are an intermediate and short-term form of accommodation with shorter tenancies usually between 3 to 6 months (or on a rolling basis with a minimum term of 3 months).
- 2.3 Co-living schemes can offer residents accommodation with all-inclusive bills, managed services, and flexible tenancies. The nature of the shared amenities offered is variable according to the budget of target tenant but can include gyms, laundry rooms, communal lounges, dining spaces, workspaces and other facilities.

Defining co-living

- 2.4 For the purpose of this SPD, co-living is defined as large scale (at least 50 units) shared residential accommodation that includes smaller living spaces in the form of studios or cluster flats with access to a range of services and communal facilities. These can be new-build schemes or conversions of existing buildings to form a co-living development.
- 2.5 Co-living is undefined in the Use Classes Order. This means that they would typically be submitted as a "Sui Generis" Use as they are non-self-contained market housing. This means that conversion from any other use will require planning permission. They are not restricted to particular groups by occupation or specific needs such as students or people requiring temporary or emergency accommodation proposed by speciality providers.

Distinguishing features of co-living

- 2.6 The floorspace of co-living studios are typically much lower than the Nationally Described Space Standard (NDSS) that apply to C3 Use Class dwellings, so it is important to be clear what features of co-living are regarded as essential to the definition. Co-living schemes will have all of the following essential facilities:
 - Communal kitchen
 - Other indoor communal space (e.g. dining room, lounge)
 - Outdoor communal amenity space (garden and/or roof terrace)
 - Laundry and drying facilities

- A concierge
- A management regime for cleaning, maintenance, and security
- 2.7 The presence of the following services and facilities will help to confirm co-living use:
 - Communal workspace
 - Recreational space (e.g. games room, cinema/ screening room)
 - On site gym or exercise studio
 - Bedding linen changing and/ or room cleaning services

3. Planning Policy Framework

The National Planning Policy Framework (NPPF)

- 3.1 The NPPF sets out the Government's planning policies for England and how these should be applied. To achieve sustainable development, the NPPF expects the planning system to support strong, vibrant and healthy communities as a key social objective. There is no specific reference to shared housing within the NPPF but local planning authorities are required to make provision for the size, type and tenure of housing needed for different groups in the community, including for those who require affordable housing, students, families, and people who rent their homes etc.
- 3.2 Chapter 5 of the NPPF supports local planning authorities to ensure that the delivery of new housing seeks to meet locally identified need and that the needs of groups with specific housing requirements are addressed.
- 3.3 Chapter 11 of the NPPF promotes making *"effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions."*
- 3.4 Chapter 12 of the NPPF emphasises the importance of creating high quality, beautiful and sustainable buildings and places which *"which promote health and well-being, with a high standard of amenity for existing and future users."*
- 3.6 Provision of guidance on space standards and communal facilities within co-living developments will help to ensure a high standard of accommodation and amenity which is critical to the safety, health and well-being of future residents of co-living proposals. This will support the adopted local planning policies as set out below.

Adopted Birmingham Development Plan (2017)

- 3.7 The Birmingham Development Plan (BDP) sets out a spatial vision and development strategy for the sustainable growth of the city to 2031. The plan contains strategic policies and allocations which are used to shape development and to determine planning applications. An update of the BDP commenced in June 2021 and the timetable for the preparation of the new plan is set out in the revised Local Development Scheme.
- 3.8 This section sets out the most relevant BDP policies that will apply to co-living proposals and which are considered to be consistent with the NPPF. This is not an exhaustive list, however, and consideration will also be given to other relevant planning policies in the local plan.
- 3.9 Policy PG3 'Place-making' requires new development to be of a high design quality, create safe environments and contribute to a strong sense of place and sustainable neighbourhoods. Within this context it is important that co-living schemes provide safe high-quality living environments.
- 3.11 Policy TP9 'Provision of public open space' requires that new residential developments provide new public open space broadly in line with the standard of 2 ha per 1000 population. Residential schemes of 20 or more dwellings should provide onsite public open

space and/or children's play provision. However, developer contributions could be used to address the demand from new residents on other types of open space such as allotments and civic spaces.

- 3.12 Policy TP27 'Sustainable neighbourhoods' requires all new residential development to demonstrate that it meets the requirements of creating sustainable neighbourhoods which are characterised by a number of factors set out in the policy including a wide choice of housing sizes, types and tenures; good access to facilities such as shops, schools, leisure, and work by sustainable transport; high design quality; environmental sustainability; attractive safe and multifunctional public spaces; and effective long-term management of buildings, public spaces and other infrastructure.
- 3.13 As co-living schemes typically accommodate mainly younger car free single occupiers willing to 'sacrifice' private living space, this accentuates the importance of proximity to work and leisure facilities and restricts co-living to areas of high employment growth with good public transport accessibility and a wide range of local services facilities. Further detail is set out in section 6 of this SPD.
- 3.14 Policy TP30 'The type, size and density of new housing' requires proposals for new housing to deliver a range of dwellings to meet local needs and support the creation of mixed, balanced and sustainable neighbourhoods. Within this context, the policy states that account will need to be taken of the:
 - Strategic Housing Market Assessment (or any subsequent revision).
 - Detailed Local Housing Market Assessments (where applicable).
 - Current and future demographic profiles.
 - Locality and ability of the site to accommodate a mix of housing.
 - Market signals and local housing market trends.
- 3.15 The Council is currently updating its Strategic Housing Market Assessment (known as the Housing and Economic Development Needs Assessment) as part of the BDP update.
- 3.16 This SPD will help to ensure that proposals for residential accommodation meet local housing needs, supporting policy TP30 'The type, size and density of new housing' of the BDP and TP31 'Affordable housing'. In particular, applicants will be expected to provide evidence of the need for their proposal based on the considerations within Policy TP30. The type of evidence required is set out in further detail in section 6 of this SPD.
- 3.17 Policy TP31 'Affordable housing' seeks 35% affordable homes as a developer contribution on residential development of 15 dwellings or more. The level of provision will only be revised where viability has been assessed using the specified viability assessment tool. TP31 states that "The different characteristics of developments which look to longer term returns rather than short term 'market' gains, such as multiple units of private rented sector housing in a single ownership intended for long term rental, will be taken into account when assessing viability. Costs associated with assessing the viability of a proposal shall be borne by the applicant."
- 3.18 Applications for co-living will be expected to comply with the Council's affordable housing policy.

Development Management in Birmingham Development Plan Document (the DMB)

- 3.19 The DMB was adopted by the City Council on 7 December 2021 and carries full policy weight. Policy DM2 'Amenity' requires development not have unacceptable adverse impacts on the amenity of its and neighbouring occupiers and residents. The considerations set out in the policy have some overlap with Policy DM10 'Standards for residential development'.
- 3.20 Policy DM10 'Standards for residential development' sets out the standards which will be expected to achieve high quality residential developments that provide a good standard of amenity to protect the health and well-being of residents. These include minimum space standards, provision of accessible and adaptable dwellings, separation distances, private outdoor amenity space, provision for recycling/ refuse storage and collection and ensuring adequate outlook and daylight.
- 3.21 The Nationally Described Space Standard (NDSS) does not apply to specialist accommodation. The definition of specialist accommodation includes shared housing, including co-living development. With the exception of Part 1 of DM10, all the other policy criteria will apply to co-living development.
- 3.22 Policy DM12 'Residential conversions and specialist accommodation' applies to the subdivision or conversion of properties into self-contained dwelling units and the development of specialist accommodation which is defined in paragraph 4.27 of the DMB. Such development will be supported where:

a. It will not lead to an unacceptable adverse impact on the amenity, character, appearance, parking, public and highway safety of the area, taking into account the cumulative effects of similar uses in the area;

b. The accommodation and facilities, including outdoor amenity space and provision for safety and security, is suitable for the intended occupiers;

c. It is accessible to local shops, services, public transport and facilities appropriate to meet the needs of its intended occupiers;

d. The scale and intensity of the proposed use is appropriate to the size of the building;

e. It will not result in the loss of an existing use that makes an important contribution to the Council's objectives, strategies and policies.

3.23 Section 6 of this SPD provides detailed guidance on the application of Policy DM12 in relation to co-living development.

Other planning guidance and policies

3.24 Developers need to be aware that other local plan and supplementary planning documents may be relevant, and this SPD does not reiterate these. All the local plan documents and SPDs are available at <u>local plan documents and SPDs</u>

4. Principles and guidance

Demonstrating need

- 4.1 Proposals for co-living will be expected to provide evidence demonstrating an identified need for the development in accordance with TP30 of the BDP which requires proposals for new housing to meet local needs and support the creation of mixed, balanced and sustainable neighbourhoods.
- 4.2 The need assessment should examine the target groups for co-living and quantify the potential need arising from these groups. Evidence of the overall population of young singles and couples alone, for example, will not be sufficient. The evidence should address the subsets within these taking into account the characteristics of likely occupiers e.g. people willing to live in smaller private rooms, welcome social interaction through the use of shared facilities, require proximity to work and leisure as they tend have a car-free lifestyle, and seeking a different housing offer.
- 4.3 The need assessment should also examine the potential affordability of alternative rental options (e.g. self-contained studios, HMOs and flat shares) for the demand groups. Where the accommodation is intended to draw occupiers from alternative rental accommodation the evidence should include information on comparable rent levels. The rental cost of this form of accommodation is not directly comparable to the rental costs of conventional Use Class C3 housing, as shared living units are significantly smaller than the minimum housing space standard i.e. a one person dwelling of 37 sq.m. Shared living tenants typically pay a room rate that includes utility costs and rent. If a comparison is undertaken it should be on a square metre rental rate, excluding utility costs and service charges, of the private accommodation and not a unit rental rate.
- 4.4 The relative accessibility of the housing market in Birmingham compared to London is different with London showing a greater a contrast in housing values. Evidence in relation to affordability should therefore be Birmingham specific. In combination with the fact that not all people in the target group will desire to live in co-living accommodation (particularly post Covid-19), the Council considers there will be a limited demand for this type of housing product.
- 4.5 Given the significant need for conventional housing in the city, the delivery of which is a priority for the city, proposals for large scale purpose built shared living should not compromise the delivery of self-contained housing to meet the city's housing need. Criterion e. of DM12 requires that proposals for specialist accommodation should "not result in the loss of an existing use that makes an important contribution to the Council's objectives, strategies and policies."
- 4.6 Proposals for large scale shared accommodation will therefore need to have regard to:
 - whether a proposal would result in the loss of existing C3 residential accommodation; and
 - whether a site has been allocated for housing or protected for other uses; and

- whether a site has been identified in the city's Strategic Housing Land Availability Assessment (SHLAA) as having the capacity for conventional housing; and
- whether the site has an extant planning permission for C3 housing.

Locational requirements

- 4.7 Criterion c. of DM12 requires that proposals for specialist accommodation, which include coliving, are *"accessible to local shops, services, public transport and facilities appropriate to meet the needs of its intended occupiers."*
- 4.8 Since the intended occupiers of co-living will largely be young single professionals adopting a car free lifestyle and needing to be in close proximity to work and leisure, co-living development will be restricted to areas:
 - within and around the City Centre where it can be demonstrated that co-living will provide added value to the wider commercial offer and is supported by recently arrived or new employers located within the area;
 - has excellent public transport accessibility levels;
 - is connected by excellent walking and cycling routes; and
 - is well served by a wide range of local services and facilities.

Accommodation standards

4.9 Criterion b. of DM12 requires that *"the accommodation and facilities, including outdoor amenity space and provision for safety and security, is suitable for the intended occupiers"* Policy PG3 'Place-making' requires new development to be of a high design quality, create safe environments and contribute to a strong sense of place and sustainable neighbourhoods. Within this context it is important that co-living schemes provide quality living environments and create a sense of community.

Private bedrooms

- 4.10 The private bedroom size within co-living schemes should be minimum of 27.5 sq.m. for a single occupancy room¹. A smaller area would not provide an adequate living environment for the health and well-being of the tenant.
- 4.11 Private rooms should include an en-suite bathroom and windows to provide natural daylight and outlook. They may also include some limited cooking facilities.

Communal kitchens

4.12 Communal kitchens and facilities should be provided so that residents do not have to rely upon small scale kitchen facilities within private rooms. The distribution, space and design of communal kitchens is therefore highly important and should be given careful consideration so as to optimise their use and encourage social interaction between occupiers.

¹ Based on the average bedroom size of the most recently validated (2019 and later) schemes in the core cities researched by SWAP Architects and rounded up to the nearest 0.5 sq.m.

- 4.13 Shared kitchens should have convenient access and be located at a convenient distance from private studios.
- 4.14 It is important for there to be adequate space for all of the facilities to be installed and properly arranged so that food can be safely and hygienically prepared and cooked.
 Communal kitchens should also provide sufficient space to accommodate dining furniture (tables and chairs) and allow users to interact and socialise within spacious and comfortable surroundings.

Other indoor communal space

- 4.15 Given the generally small size of the private space in co-living developments, the communal spaces are important elements in ensuring that the quality of the overall residential amenity is acceptable. A range of other indoor communal spaces such as lounges, dining rooms, meeting rooms, and indoor recreational spaces should be provided.
- 4.16 These should be of a sufficient size and quality to cater for the intended number of occupiers and designed and managed in a way that fosters social interaction and encourages engagement between people.

Average internal communal space per bed

4.17 The average internal communal amenity space provided (including communal kitchen(s)) should be at least 4.5 sq.m. per bedspace².

Outdoor communal amenity space

4.18 Co-living schemes should include adequate outdoor amenity space following the guidance contained in the emerging Birmingham Design Guide SPD. The minimum outdoor amenity space provided should be 10 sq.m. per resident.

Parking provision

4.19 It is not generally expected that car parking will be provided for co-living developments as schemes are expected to be focussed in the City Centre. The Parking SPD has a zero to low car parking standard for residential development in Zone A.

Affordable housing

4.20 Co-living development will be required to contribute to affordable housing in accordance with Policy TP31 'Affordable housing' of the BDP. As it does not meet minimum housing space standards, it is not considered as a suitable as a form of affordable housing itself. This will be sought as a single upfront financial contribution, based on a 20 per discount off the market value (including any service charges) of 35 per cent of the units, and secured through a section 106 legal agreement (subject to viability).

² Based on the average internal community amenity space per bedspace of the most recently validated (2019 and later) schemes in the core cities researched by SWAP Architects and rounded up to the nearest 0.5 sq.m.

Open space

4.21 New developments, particularly residential, will place additional demand upon all types of open space. Co-living development will be required to contribute to the provision of new open space in accordance with TP9 'Open space, playing fields and allotments' of the BDP.

Management plan

- 4.22 A management plan should be produced and submitted with the planning application showing how the whole development will be managed and maintained to ensure the continued quality of the accommodation, communal facilities and services, and that it will positively integrate into the surrounding communities. The agreed management plan should be secured through planning condition or a Section 106 agreement and should include, but not be limited to, detailed information on:
 - a. security and fire safety procedures
 - b. moving in and out arrangements
 - c. the maintenance of internal and external communal areas
 - d. cleaning regime of communal spaces and private units
 - e. how linen changing services will operate
 - f. how deliveries for servicing the development and residents' deliveries will be managed.
- 4.23 Developers will be required to preclude letting to full time students through a planning condition.

Tenancies

4.24 Tenancies should be for a minimum of three months to ensure co-living developments do not effectively operate as a hostel. A maximum stay should be defined for short-term studio lets, for example, twelve months.

Other requirements

4.25 Developers need to be aware that other local plan and supplementary planning documents may be relevant, and this SPD does not reiterate policies and guidance. Developments must have a clear place-making delivery strategy, including open spaces and public realm.

5. Implementation, monitoring and review

Implementation

5.1 Applications will need to be accompanied by detailed floor plans and sufficient detail to demonstrate compliance with the accommodation standards, a needs assessment, management plan, and other relevant information to address the principles and guidance set out in the SPD as well as policies in the local plan.

Monitoring

5.2 Applications for co-living schemes will be monitored to ensure that proposals are meeting the standards set out in the SPD.

Review

5.3 The SPD will be reviewed if circumstances materially change to ensure that it remains appropriate.