

# Brighton & Hove City Council

## Interim Planning Guidance Note on Co-Living Accommodation

### Introduction

This interim planning guidance sets out the City Council's approach to assessing development proposals for 'Co-living' development in Brighton & Hove. The aim is to ensure that such proposals accord with the development strategy and planning policies within the Brighton & Hove City Plan; contribute to meeting the city's identified housing needs; provide good quality residential accommodation and maintain sustainable neighbourhoods.

More detailed guidance on Co-living housing will be published in due course. Specific policy requirements will also be considered through the ongoing City Plan review.

### What is 'Co-Living'?

'Co-living' is a housing/marketing term used for large-scale purpose-built shared accommodation comprising private individual rooms which are not self-contained combined with extensive communal areas and facilities.

Co-living developments differ from self-contained housing (Use Class C3) due to their emphasis on communal living, providing shared kitchen, dining, recreation and often workspaces, with individual private units being smaller than minimum Nationally Described Space Standards (NDSS). Co-living also differs from houses in multiple occupation (HMOs) due to the scale of the developments, greater extent of communal spaces and facilities, and site-based management services.

Co-living is a relatively new form of housing which is not specifically defined as a separate housing category in national planning policy or guidance. Equally Co-living is not defined in the Use Classes Order, and as such developments are generally classified 'Sui Generis' as large scale non-self-contained market housing. This means that conversion to or from C3 residential or any other use will require planning permission.

Although falling under 'Sui Generis' rather than Use Class C3, national planning guidance allows Co-living residential development to be counted on a pro-rata basis towards the city's strategic housing target which is set out in the City Plan (Policy CP1). The approach set out in the national Housing Delivery Test guidance allows communal residential accommodation to be counted at a ratio of 1.8 units to one dwelling.

### Relevant City Plan Policies

The City Plan includes a number of relevant policies which the Council will use to assess proposals for Co-living development. The policies listed below are highlighted in particular. However many other policies are likely to be relevant to specific applications, such as those relating to design matters, accessibility and transport.

## City Plan Part 1

**Policy SA6 Sustainable Neighbourhoods** seeks to create and maintain sustainable neighbourhoods, including delivering balanced communities through the requirement for new residential development to provide an appropriate amount of affordable housing, mix of dwelling sizes and tenure types.

**Policy CP14 Housing Density** requires that residential development should be of a density that is appropriate to the identified positive character of the neighbourhood. Proposals for residential development at higher densities than typically found in the locality must demonstrate that they meet specific requirements relating to design, neighbourhood character, accessibility by sustainable transport, access to local services and facilities, and provision of open space/green infrastructure. Such developments are also required to include a mix of dwelling types, tenures and sizes that reflect identified local needs.

**Policy CP19 Housing Mix** seeks to improve housing choice and ensure that an appropriate mix of housing (in terms of housing type, size and tenure) is achieved across the city. It requires that all new residential development has regard to the characteristics of existing neighbourhoods and communities and makes a positive contribution to the achievement of mixed and sustainable communities (referencing SA6 and CP14). Sites coming forward as ‘windfall’ development will be required to demonstrate that proposals have had regard to housing mix considerations and have been informed by local assessments of housing demand and need.

Supporting text to the policy (Paragraph 4.213) sets out the indicative demand/ need for homes in the city over the Plan period. This shows the greatest requirement (both for market and affordable homes) is for 2 bedroom (34%) and 3 bedroom properties (31%); with lower demand for 1 bedroom properties (24%) and 4+ bedroom properties (11%). For market housing alone, there is a slightly higher demand for 2 and 3 bedroom properties (35% and 36% respectively)<sup>1</sup>. More recent analysis of housing size requirements in the city (taking account of both the demand for homes and the changing demographic profile) suggests an even greater demand for 2 and 3 bedroom properties representing 75-85% of the city’s market housing requirements going forward (compared to only 10-15% for 1-bedroom properties)<sup>2</sup>.

**Policy CP20 Affordable Housing** sets out specific requirements for the provision of affordable housing on all sites of 5 or more dwellings (net). For sites of 15 or more dwellings (net), the requirement is for 40% onsite affordable housing. The policy states that the targets may be applied more flexibly where the council considers this to be justified subject to specified criteria which includes consideration of financial viability. Further guidance on affordable housing requirements is set out in the Council’s Affordable Housing Brief and the Affordable housing validation requirements set out on the Council website.

## City Plan Part 2

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<sup>1</sup> These figures were taken from the Housing Requirements Update Study, October 2012, Table 4.13 and the Objectively Assessed Need for Housing: Brighton & Hove, June 2015 (Table 27)

<sup>2</sup> Brighton and Hove Strategic Housing Market Assessment (SHMA) 2023 (forthcoming)

**Policy DM1 Housing Quality, Choice and Mix** requires that proposals for new residential development a) incorporate a range of dwelling types, tenures and sizes that reflect and respond to the city's identified housing needs; and b) make provision for a range and mix of housing /accommodation formats subject to the character, location and context of the site.

The policy also requires new residential development (including residential extensions and residential accommodation falling outside Use Class C3) to comply with residential space and accessibility standards and provide private outdoor amenity space appropriate to the scale and character of the development.

**Policy DM18 High Quality Design and Places** requires that development proposals demonstrate a high standard of design and make a positive contribution to a sense of place and the visual quality of the environment. This involves an integrated approach to the design process from project inception where place making and sustainable development, including the principles of the circular economy, are considered as one. Key design aspects include the local context; the scale and shape of buildings; building materials and architectural detailing; and the spaces between and around buildings. Further guidance is provided in the Council's Supplementary Planning Guidance (SPG) 17: Urban Design Framework.

**Policy DM20 Protection of Amenity** requires that development should not cause unacceptable loss of amenity to the proposed, existing, adjacent or nearby users, residents, occupiers or where it is not liable to be detrimental to human health. The policy thereby looks to ensure good standards of residential amenity and compatibility with neighbouring uses.

### **Policy Considerations**

The Council will take account of the following policy considerations among others when assessing proposals and planning applications for 'Co-living' development.

#### Demonstration of need

Co-living by its nature targets a specific and relatively narrow sector of the housing market, focused overwhelmingly on 'affluent' single people (or couples without children) in the 18-35 age range (Savills: Spotlight on UK Co-living – May 2022). It generally functions as a short term housing choice for many residents which can lead to a fairly transient population with a high turnover of units. It is a new form of housing for the city with only one development having so far gained planning permission (BH2019/01820 - 19-24 Melbourne Street) and this is not yet completed. Therefore, at present, it is difficult to assess the level of demand for Co-Living within the city itself or to understand its potential impact on the local housing market and community.

Whilst accepting there may be some local demand for purpose built 'Co-living' reflecting the city's demographics, large scale developments of this type of housing

would not meet the requirements in Policies CP19 and DM1 in terms of providing a mix of housing sizes, types and tenures, or Policies SA6, CP14 and CP19 in terms of promoting sustainable neighbourhoods. For an application to be approved therefore developers will be required to demonstrate clearly what benefits of the scheme outweigh these policy considerations, particularly in terms of meeting an identified need in the City.

The Council will therefore expect Co-Living proposals to be supported by detailed evidence on the level of need and demand for this type of development in the city. The needs assessment should identify the target groups which the development aims to attract and the scale of the potential need arising from these groups. It should also set out how the proposed development would meet the needs of the target group, including in terms of the affordability and nature of the accommodation.

Needs assessments should also examine the availability and potential affordability of alternative rental options (e.g. self-contained studios or flats, HMOs and flat shares) for the target groups, providing information on comparative rent levels and costs. The information provided should set out a clear breakdown of rents and charges indicating where services and utilities are included in the standard rent/room rate.

#### Locational requirements

To meet the requirements of Policies SA6, CP14 and CP19, proposals for Co-living should generally be directed towards locations with good accessibility to local shops and facilities, well served by public transport, and suitable to promote sustainable travel / lack of car dependency (ideally car-free).

Given there is a substantial identified need for C3 housing in the city, Co-living development should not compromise the delivery of self-contained housing. The Council will not support Co-living development on sites identified for future C3 housing delivery (e.g. City Plan housing allocations or sites with extant permission for C3 housing).

At least until further evidence is available, the Council would expect applications for Co-living accommodation to be of a moderate scale (i.e no more than around 100-200 units). In considering the scale and potential impacts of individual proposals, the Council will also take into account the potential for adverse cumulative impacts of co-living developments on adjacent sites or sites within the locality. This will allow the local demand for Co-living to be tested and for potential impacts on the local housing market and local communities to be better understood.

To meet the requirements of Policies CP19, CP14 and DM1, applicants should also consider options for delivering Co-living housing as part of a mix with self-contained housing thereby providing a better mix of housing sizes and tenures.

#### Character of the area

Co-living provides high density residential development usually well above existing densities in the surrounding neighbourhood. To meet the requirements of Policy

CP14 requires a high standard of design that helps to maintain or create a coherent townscape and which will positively enhance the character of the neighbourhood and contribute to its sense of place.

It is important that Co-living developments integrate with and contribute positively to the character of their surrounding neighbourhoods in accordance with Policies SA6, CP14 and DM18. These principles should fundamentally inform the design of the development through a range of approaches, including:

- i) providing active uses and public amenities at ground floor level and fronting the street/public realm;
- ii) encouraging use of public amenities such as cafes/restaurants by the local community as well as residents;
- iii) designing high quality public realm to be accessible and used by both the Co-living residents and the surrounding communities; and
- iv) ensuring good accessibility/connectivity to the surrounding area for walking and cycling, and in terms of green infrastructure.

### General design principles

For developments to function effectively as 'shared living', they should be clearly designed to promote a communal lifestyle. The private units should provide adequate functional living space but should not be designed to be used as self-contained homes.

Because the private living units are below minimum residential space standards, the shared communal spaces are important in ensuring that the quality of the overall residential amenity is acceptable. Co-living developments should provide shared kitchen, dining and lounge areas on all floors, and provide other indoor communal spaces such as larger meeting rooms, workspaces, indoor recreational spaces and laundry (washing/drying) facilities. The communal spaces should be adequately sized and conveniently accessed to meet the requirements of the intended number of residents and should be designed and managed in a way that encourages social interaction. Where appropriate, communal facilities should integrate with the public realm and external spaces.

### Residential density & standards

To comply with Policy DM1, Co-living developments will be expected to meet M4(2) standards and to provide 5% units as 'wheelchair adaptable' under Building Regulations M4(3).

In order to meet residential amenity requirements under Policy DM20, the Council will seek to ensure that all Co-living proposals provide an acceptable and functional layout and living space (c25 sq.m for single occupancy).

CPP2 Policy DM1 seeks the provision of private useable private outdoor amenity space in new residential development where appropriate to the scale and character of the development. Flatted scheme designs should seek to provide private balconies for the individual units. In addition outdoor communal areas should be

provided as an integral part of the design (e.g a garden, courtyards, garden/roof terraces) and these should provide good quality amenity space.

The City Council will provide further guidance on accommodation standards for Co-living developments in due course.

### Management

Co-Living schemes should be operated under single management. Tenancies should be provided for a minimum of three months to ensure that the Co-Living development does not function as a hostel or hotel. Occupancy should be limited to persons aged 18+ and the units should not be marketed as student accommodation.

The Council will expect details of a management plan to be submitted alongside any planning application for Co-Living, showing how the development will be managed and maintained. An agreed management plan will be secured through planning condition or a Section 106 agreement. The plan should cover matters such as security and fire safety, moving in and out arrangements, maintenance and repair, cleaning and servicing arrangements etc.

### Affordable housing

Communal shared living does not in itself meet the requirements of affordable housing in the city as the residential units are not self-contained and do not meet minimum residential space standards. In addition, Co-living does not offer stable long-term accommodation suitable for most households in affordable housing need.

Policy CP20 requires the provision of affordable housing as part of all developments of 5 or more dwellings (net). Although Co-living developments are classed as 'sui generis' rather than Use Class C3, they still contribute towards the city's housing target and as such would be expected to help address identified affordable housing needs in the city.

Policy CP20 requires developments of 15+ dwellings to provide 40% onsite affordable housing (applying the 1.8 units per dwelling ratio this would be equivalent to 27+ Co-living units). It is accepted that the development economics of rented accommodation differs from housing for sale, however this is allowed for in Policy CP20 which gives flexibility for reduced affordable provision where justified with regard to policy criteria i) to v).

On larger sites the Council would encourage Co-living developments to form part of a wider mix of housing tenures and sizes which could include affordable housing in accordance with Policy CP20.

On smaller sites where Co-living is the only housing tenure being proposed, affordable housing contributions should take the form of an equivalent financial contribution (commuted sum). The payment should be calculated based on the Council's most up to date Affordable Housing Commuted Sums report (available on the Council website) based on the commuted sum payment for a 1-bedroom flat (having first applied the 1.8 Co-living units per dwelling ratio).

Applicants will be expected to provide a detailed justification for the affordable housing provision proposed in accordance with CP20 and having regard to the guidance set out in the Council's Affordable Housing Brief and the Affordable housing validation requirements set out on the Council website. It is also recommended that applicants undertake early (pre-application) discussions with City Council Housing officers regarding the preferred form of affordable housing contribution, including tenure split, size mix and distribution of affordable units where appropriate.

### **Summary of key Council considerations in assessing Co-living developments**

1. Applications for Co-living development will need to clearly demonstrate how they meet an identified housing need/demand for this type of accommodation in the city. (Policies CP19, CP14 and DM1)
2. Co-living developments should be located in areas with good accessibility/access to service and should not compromise delivery of self-contained (C3) housing (Policies SA6, CP1, CP14)
3. Proposals will need to demonstrate how they make a positive contribution to the character of the neighbourhood (Policies SA6 and DM18)
4. Preference for smaller scale schemes and/or schemes integrated within a mix of housing types, tenures and sizes (Policies SA6, CP14, CP19 and DM1)
5. Co-living schemes should be designed to promote communal lifestyle with good provision of shared communal spaces and facilities (Policies DM1 and DM20)
6. Appropriate residential standards will be applied for space, accessibility and outdoor amenity space (Policy DM1)
7. Co-Living schemes should be operated under single management with tenancies provided for minimum 3 months. Occupancy should be limited to persons aged 18+ and the units should not be marketed as student accommodation.
8. Affordable housing contributions should be provided (onsite where part of mixed development or as a commuted sum) (Policy CP20)

