

Manchester City Council Report for Resolution

Report to: Executive – 19 December 2019

Subject: Co-living in Manchester

Report of: Strategic Director (Growth and Development)

Summary

This report informs Members of the emergence of the co-living concept, and the issues and concerns raised by it. The report considers how the Council should respond to emerging market demand, on the basis that there is no current planning policy context at national or local level.

Recommendations

The Executive is recommended to:

1. note the concept of co-living as set out in this report; the issues around its development; the nature of the product; and the limited contribution that it could make to the city's housing offer;
 2. request that the Strategic Director (Growth & Development) undertakes an appropriate consultation process with key stakeholders on co-living, and brings a report back to the Executive on the outcomes of the consultation; and
 3. request that subject to comments from the Executive, this report and the outcomes from the consultation are used to help inform the development of a policy approach as part of the review of the Local Plan, which will be subject to separate further consultation.
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Wards Affected – All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

Future residential development proposals including co-living will need to be carefully considered in order to ensure that they contribute towards the city meeting its zero-carbon target by 2038. Construction will be required to meet the highest standards of sustainable development. Where residents are choosing to live in the city centre, close to their place of work, and using walking and cycling facilities to travel to work, vehicle trips and the resulting congestion and carbon emissions associated with them are reduced.

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	A residential market offer of high quality design, targeting young professionals as occupiers, contributes to place-making in an area and will support growth of the economy by maximising the competitiveness of the city. Schemes that support the wider regeneration of an area can help drive new investment and redevelopment and meet the demands of a growing and dynamic work force. Young workers living in the city could support the growth of the local economy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	New residential led development within the region's economic hub will both support population growth, and the retention of graduate talent in Manchester by providing an attractive residential offer in key areas of the city centre. Construction is a growing sector, and employment opportunities will arise from the development of new accommodation.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	New residential led development, where appropriate to the area it is built in, will support the Residential Growth Strategy to deliver new homes in the city, as well as the attraction and retention of the talent required to support Manchester's strong growth trajectory over a range of economic sectors.
A liveable and low carbon city: a destination of choice to live, visit, work	The Council is committed to providing new homes in the city, close to job and leisure opportunities, reducing the need to travel. A key priority of new development is to promote sustainable travel modes to access the city centre, and to provide high quality public realm to provide attractive places for residents, workers and visitors alike.
A connected city: world class infrastructure and connectivity to drive growth	Residential development in the city centre provides opportunities for residents to live close to their place of work as well as close to major transport hubs in the city centre, ensuring productivity, and enhanced connections to employment, networking and training opportunities.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
 - Risk Management
 - Legal Considerations
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Financial Consequences – Revenue

New co-living schemes could have implications for Council Tax revenue.

Financial Consequences – Capital

None arising from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Greater Manchester's Plan for Homes, Jobs, and the Environment: Greater Manchester Spatial Framework Draft 2019
- Manchester Residential Growth Strategy and Action Plan 2016/17 – Report to Executive, 2 March 2016
- Manchester Residential Growth Strategy: Action Plan Update, Economy Scrutiny Committee, 9 January 2019
- Manchester City Centre Strategic Plan (2015-2018)
- The Manchester Core Strategy - Adopted on 11th July 2012
- Manchester Housing Strategy (2016-2021)

1.0 Introduction

1.1 The residential lettings market in Manchester is experiencing significant change and growth as a result of the number of people choosing to live in the expanded city centre boundary. By 2025, the total population of that geographical boundary is expected to rise from 60,000 to 100,000. The age breakdown of the 60,000 residents currently living in the city centre is as follows.

17.5% - Age 19 and under

18.5% - Age 20-24

34.9% - Age 25-34

14.1% - Age 35-44

11.4% - Age 45-64

3.5% - Age 65+

The Manchester City Council Forecasting Model (MCCFM) expects the number of 25-34 year olds in the city centre to grow by over 10,000 over the next 5 years, and 20-24 year olds to grow by 1,700 over the same period.

- 1.2 The increasingly varied and growing employment and leisure market in the city, is in turn generating increasing demand for residential accommodation, which to a greater extent will be overwhelmingly located in the wider city centre and its immediate surrounds. Planned residential growth is being delivered in neighbourhoods such as Great Jackson Street, New Cross and NOMA/Northern Gateway.
- 1.3 Following its establishment in North America (see section 3), a number of cities in the U.K. have seen operators beginning to come forward with new occupancy models in the residential letting market. The most significant new approach now being promoted is a large-scale, purpose built shared living product, marketed as 'co-living'. However, this product is new and untested in the Manchester housing market, and there is variability in the way schemes are designed, managed and operated in other cities. There are also differences in the Manchester market compared to the cities where the concept originated, meaning that it may be less appropriate locally.
- 1.4 There is no standard definition of co-living accommodation, which can comprise a mix of private studios and 'cluster-style flats' (with shared communal areas) in which bedrooms can be rented out individually or in groups. Schemes may also share many of the common characteristics of build to rent such as shared amenity space, and traditional private rented sector (PRS) apartment tenure profiles of one, two and three bed units.
- 1.5 This report summarises the key issues associated with co-living and suggests how the Council should start to respond to these issues, given that the new Local Plan is not due to be adopted until 2023. A consultation with key stakeholders is proposed, with a view of developing a policy position as part of the Local Plan process, subject to further consultation.

2.0 Residential Growth and Strategic Context

- 2.1 The city centre has seen significant transformational growth over the last 20 years, making it a world class city for many things, including learning, working, living, cultural activities, shopping and other leisure activities. In the context of a strong residential development pipeline, demand continues to increase from people seeking to live in close proximity to the wide range of employment, educational and cultural/leisure opportunities within the city centre.
- 2.2 The population within the city centre has risen exponentially since 2012, to its current level of 60,000. A key feature of this growth has been a significant rise in the proportion of residents aged between 25 and 35. This is attributable to increased levels of graduate retention, facilitated through strong economic growth and the increased attraction of employers seeking to recruit graduates. Increasing market demand for residential and commercial office space, alongside the further development of the city centre's world class cultural, retail and leisure offer, has resulted in the delivery of a variety of new schemes to meet the demand to live in the city centre, and the needs of a range of occupiers.
- 2.3 The draft Greater Manchester Strategic Framework aims to deliver 201,000 new homes by 2037, in line with Government targets and supported by the £300 million Greater Manchester Housing Investment Fund. As part of the challenge of delivering Manchester's Affordable Housing Strategy, the Executive recently agreed to increase the Residential Growth target to 32,000 new homes in the next ten years to March 2025, with a minimum of 6,400 of them to be made affordable. This is to help meet the demand created by a growing economy and growing population, as well as the current social context.
- 2.4 A key objective of Manchester's Housing Strategy (2016-2021) is for all residents to have access to good quality accommodation across different types, tenures, and price ranges.
- 2.5 The Council is embarking on a review of the Core Strategy, adopted in 2012; and remaining policies from the Unitary Development Plan (UDP) adopted in 1995. The new Manchester Local Plan will set out how the city should meet the needs of a growing, diverse population over the next 15 years, outlining where new development should happen, environmental facilities and transport and other infrastructure will be improved. An important component of the plan will focus on the strategy for the city centre. It is anticipated that the new Local Plan will be adopted in 2023.
- 2.6 As the apartment market has matured and diversified it is increasingly able to offer a greater degree of choice, both in terms of product, price, quality and space. 5,000 new homes have been built in the city centre in the past 5 years, and there are a further 9,000 homes due to be completed over the next 2-3 years. However, there is evidence that, in the current market, it is becoming more difficult for developers to fund and deliver traditional housing models,

and there is a concern that co-living is becoming the default position for many developers and investors.

3.0 Co-living Core Concept

- 3.1 Co-living is well established in India and in major American cities such as New York, San Francisco and Los Angeles. In Europe, co-living is common in a number of high demand European housing markets such as Berlin, and interest in the sector is beginning to emerge in London and other cities in the UK. A number of developers, keen to bring forward schemes, have already sought to establish the City Council's views on co-living.
- 3.2 The co-living concept was developed in these countries in response to the affordability challenges faced by workers on average and below average incomes. In cities in particular, co-living was seen as a solution to the crisis in urban housing. It sought to provide affordable homes for younger people who didn't have access to the market, while at the same time pooling resources, fostering community and catering for an increasingly mobile workforce.
- 3.3 The approach just beginning to be employed in London (at present there are only c.1,500 London beds currently in operation) mirrors the product on offer in many of the North American pioneer markets, and echoes the similarly challenging housing market dynamics currently in play in the capital. The London market has seen income to house price ratios of 1:10+ and extremely dynamic demand for rental accommodation over the last ten years, leading to average rents significantly above even the most expensive accommodation in any Core City in the UK.
- 3.4 In contrast there is evidence that the relative accessibility of the housing market in Manchester (compared to London) is playing an increasingly important role in attracting new residents to the city (often from the Greater London area). Whilst both cities show some similarities in terms of inequalities in housing markets and levels of wealth, it is possible to buy a flat in Manchester city centre for £150k (there were 151 listings on Rightmove for £150k or less in the city centre at the time of writing) or share a centrally located apartment for £450 per person per calendar month (65 2 bed listings on Rightmove in the city centre for £900 per calendar month or less at the time of writing).
- 3.5 Both Manchester examples represent housing options that simply don't exist in any part of the central London housing market (Zone One). Against this backdrop, therefore, we do not believe that co-living is required, or appropriate, to address affordability pressures in Manchester, in the same way as it is in other American cities or London. The character and evolution of the housing market in Manchester is different, and with this in mind co-living should be considered against very different drivers, developed for places with starkly contrasting housing values and different determinants of demand.
- 3.6 The recently adopted London Plan (Policy H18 - see Appendix 1) defines co-living as large-scale purpose built shared living. Co-living is similar to single

room occupancy, as it offers residents an individual space in a shared property. The core attributes include its build and management under single ownership, and configuration into either private studios or cluster accommodation, generally providing a high density and flexibility of development. The defining characteristic is that all co-living spaces offer at least a shared kitchen and living room. Co-living schemes can also offer residents all-inclusive bills, managed services, and communal facilities (e.g. cafes, gyms and cinemas) when compared to other shared living accommodation. However, there is variability in the level of amenities, and length/type of tenancies/tenancy agreements, offered by existing operators in the international market. The demographic living in co-living schemes internationally tends to be weighted towards people in their 20's and 30's.

- 3.7 Unlike other new Build to Rent developments or existing shared accommodation (e.g. HMOs), co-living is undefined in the National Policy Planning Framework (NPPF). This means that new co-living developments in Manchester would be submitted to planning as “Sui Generis” development – these are developments that do not fall within any particular defined use class.

4.0 Key Issues and Policy Considerations

- 4.1 Key principles on co-living schemes need to be developed, in the context of the new local plan, to ensure the right residential products, in the right locations, are delivered for the city. As explained below, some co-living schemes may not meet Manchester's space standards, and will not generally be seen as appropriate development in terms of providing permanent homes for our residents.
- 4.2 There is anecdotal evidence from some developers delivering schemes in Manchester targeted at digital and technology businesses, that there may be a link between co-living and growth, as such accommodation could be attractive to employees where it is directly linked to the proximity of such companies, aiding talent recruitment and retention.
- 4.3 The impact of any new supply will need to be carefully managed, appraised and evaluated (as the market is untested in Manchester) before future co-living developments can be considered. A limit on new developments should be considered whilst the market is maturing, and in advance of planning policy on co-living being developed.

Space and living standards

- 4.4 As co-living schemes are classed as Sui Generis in planning terms, they are not required to conform to the nationally prescribed space standards attributed to other mainstream housing (37sqm for a studio – 1 bed / 1 person unit) and 1 bed / 2 person units (50sqm). The evidence suggests that some units - mainly studios - are up to around 50% smaller than these standards. Similar standards to the national ones were adopted by Manchester in 2016 as part of the Manchester Residential Quality Guidance, and it should be a key requirement for co-living developments in Manchester to comply with these

space standards, or provide a compelling justification for an alternative approach.

- 4.5 Given the size and nature of the product, the smaller co-living studio spaces would not be considered acceptable as permanent homes for residents. For the larger clusters of studios, where amenity space is in close proximity to the living space, this may be more acceptable in demonstrating a compliance with Manchester's space standards.
- 4.6 Furthermore, co-living schemes are untested in the housing market in Manchester city centre, and consequently there is the potential need for developments to be sufficiently flexible to be converted into other uses, including mainstream apartments, in the future should this be required. With this potential for future conversion, space standards and layout are a crucial design issue for consideration.

Affordability

- 4.7 Co-living is not an affordable housing product on a price per sqm basis and cannot be seen as a mechanism for developers to meet affordable housing targets in Manchester. For example, a comparison of traditional Build to Rent 1 bed accommodation and co-living accommodation in London suggests that co-living is more expensive (£77/sqm compared to £32-38/sqm).

Section 106

- 4.8 Manchester's existing Core Strategy does not include policy which requires similar Sui Generis use developments (such as PBSA) to make a specific contribution towards affordable housing. The majority of contributions from these schemes have focused on infrastructure (in accordance with Core Strategy Policy PA1). Co-living schemes should be considered in the planning process in the same way as other C3 residential developments; they should provide an appropriate contribution towards affordable housing, in accordance with policy H8.

Council Tax Revenue Implications

- 4.9 Co-living has implications for Council Tax revenues that are important to consider. Ordinarily, each self contained property (own bedroom and kitchen) is subject to an individual Council Tax Bill.
- 4.10 Co-living rents are all generally inclusive of bills including Council Tax and therefore there is no tenant liability. The owner agrees to pay the Council Tax for the entire development directly.
- 4.11 Self contained units (1 bed = 1 property item billable on Council Tax) may provide more revenue than cluster flats (often 4 or more beds = 1 property item billable on Council Tax). This is because each studio / 1 bed space would be classed as an individual property item to be banded. The revenue risk to the Council could, therefore, be higher the greater the proportion of cluster flats within a given co-living development.

- 4.12 The potential increase in Council Tax revenues from studios could be reduced by the single person discount if this was deemed to be acceptable by the Council. The mix of cluster flats and private studios will impact Council Tax revenue if the configuration of cluster flats and studios is not carefully managed, and an acceptable breakdown of units is suggested as part of the criteria below.
- 4.13 This is an emerging market and because there are various models being developed, the approach from the Valuation Office on how units will be treated is still developing. This is in terms of whether they are banded individually or collectively. Initial research in other local authority areas has shown a range of charging models. Council officers are engaging with the Valuations Office to seek further clarity on the possibilities of how cluster flats in co-living developments should be treated, and are meeting with them prior to Christmas. As part of the approach suggested in section 5.6, it is proposed that developers should be required to make an appropriate contribution to Council Tax.
- 4.14 Collection issues will also need to be considered, especially in relation to short-term tenancies.
- 4.15 There is no evidential base as to what would happen if a co-living tenant became unemployed, i.e. if they would be able to claim rent costs as part of Universal Credit. However, the obligation to pay Council Tax would fall on the landlord rather than the tenant.

Links to student market

- 4.16 The Council would not support students living in co-living accommodation, due to the issues set out above, in particular around space standards, and in line with the report on Purpose Built Student Accommodation agreed at the October meeting of the Executive. It is possible that without restrictions, some postgraduate / undergraduate students may become attracted to the emerging co-living accommodation and its similarities to Purpose Built Student Accommodation (PBSA), in terms of shared amenities and services.

5.0 Criteria

- 5.1 Co-living represents a new, emerging sector. Although there are some similarities to short-term serviced accommodation, the market is ahead of policy and this presents challenges in appropriately appraising planning applications for proposed developments, with little or no historic precedent in the city. This coupled with the fluidity in the definition of co-living, as outlined in paragraph 3.6, means there is a challenge to develop policy capable of keeping pace with the rate of change. There is therefore, a need to consider how the Council should approach any co-living applications that are currently being proposed and begin a consultation process on this.

- 5.2 As a starting point it may be helpful to consider the London Plan. The Plan (Policy H18 - see Appendix 1) provides guidelines for new Large-Scale Purpose Built Shared Living (co-living) Sui Generis use developments, and includes the following principles:
- The scheme meets an identified need (initial applications in London have been based on research by Jones Lang LaSalle) and is under single management.
 - All units for rent will have minimum tenancy lengths of no less than three months.
 - The private units within the scheme (primarily studio apartments) must be able to demonstrate they are not C3 Use Class accommodation - use as a “dwelling house”; as a principal or secondary residence for a family, or up to six people living together and receiving care, or as a group who do not fall under a HMO definition.
 - It delivers a cash in lieu contribution towards conventional affordable housing, in this case equivalent to 35% of the residential units to be provided at a discount of 50% of the market rent (subject to viability).
- 5.3 The London Plan sets co-living within good quality urban regeneration objectives which have received significant scrutiny and public consultation. This provides a starting point, with an opportunity for Manchester to translate this approach into the new Local Plan, in line with Manchester’s approach to regeneration frameworks and housing standards, to help define the Council’s policy approach to co-living whilst reflecting on the experience of the London.

Principles for a Manchester Approach

- 5.4 Given that the product is untested in Manchester, it is not considered appropriate to approve a significant level of co-living accommodation. It is suggested that only a restricted amount can be supported in advance of a full policy approach being developed, on the basis outlined below. The performance and impact of co-living will need to be regularly reviewed to ensure the right policy is adopted.
- 5.5 It is suggested that the following considerations are applied to any co-living schemes that come forward in the interim period before a policy on co-living is developed, and whilst the product is new to the market:
- Co-living should be restricted to a limited number of key areas of high employment growth within the city centre, and would only be considered as part of an employment-led, Strategic Regeneration Framework (SRF), where it can be demonstrated that a co-living development will provide added value to the wider commercial offer in the area.
 - Schemes must demonstrate that they command support from recently arrived or new employers located in, or in the vicinity of, the regeneration area they form part of. The size and scale of the developments need to be underpinned by the generation of employment opportunities from those employers. Evidence will need to be provided that a scheme will attract

specific employers and committed jobs if they are not already present, as well as talent retention and attractiveness for proposed new employees, as part of growth in key sectors in the city.

- A robust justification demonstrating evidenced need should be provided to underpin each scheme. Developments should target young workers, including professionals and graduates where there is an identified need for a flexible co-living product that can attract and retain talent, supporting economic growth.
- Safe and secure, zero carbon developments will only be considered. Schemes should be in city centre locations that are well connected, to ensure residents can access public transport, walking and cycling routes in the city.

5.6 The following conditions are to be considered for co-living schemes as part of the proposed consultation (which will also consider how the conditions may be imposed, for example, by Section 106 agreements):

- Development should provide an appropriate mix of cluster flats and private studios, with each scheme tested on its merits. Schemes will be expected to demonstrate how they comply with MCC's adopted space standards, as part of the Manchester Residential Quality Guidance.
- In order to ensure appropriate management, a long-term operational management platform will need to be provided for across each scheme in its entirety. This should include a single management and lettings entity, with a long-term commitment.
- Developers should be required to legally commit to renting only to working households, or households actively seeking work, and precluding letting to students.
- A maximum stay should be defined for short-term studio lets, for example, six months.
- Developments must contribute to Council Tax revenue, with Council Tax paid by the operator, in order to strengthen the tax base.
- A contribution should be made in accordance with the city's affordable housing policy. Rents should be affordable, but co-living accommodation cannot be seen per se to directly contribute to the delivery of the affordable housing targets for the city.
- Developments must have a clear place-making delivery strategy, including open spaces and public realm.
- Planning applications should include a conversion plan to demonstrate how the building could be repurposed through interventions to the layout.

6.0 Next Steps

6.1 This report outlines the issues and considerations for co-living developments in the city, in order to start a process to develop a policy on co-living proposals. The product is new to the residential market in Manchester, and its performance and impact will be monitored and reviewed. The merits of each individual scheme will be considered on a case by case basis, with the

suggested criteria in mind, until the Executive considers the outcome of the consultation.

- 6.2 It is suggested that an initial consultation is carried out with key stakeholders with the outcome of that consultation reported to the Executive. Subject to comments from the Executive, it is proposed that the outcomes from the consultation are used to help inform the development of a policy approach as part of the review of the Local Plan, which will be subject to further consultation.

7.0 Conclusion

- 7.1 There has been significant change in the residential housing market, including residential growth in the city centre, and a policy approach is needed to respond to the potential that co-living schemes could come forward from developers. As a result, a limit on new developments should be considered whilst the market is maturing, and in advance of planning policy on co-living being developed.
- 7.2 It is suggested that co-living should only be supported in a very limited number of places, in restricted amounts, within the city centre and under the specific circumstances as proposed in section 5. New developments should add value to existing wider, economic-led, regeneration frameworks in an area, driving employment, and the creation of place and supporting the new talent needed to support growth. Co-living developments would also need to meet the quality of design and space standards expected from other types of residential development.
- 7.3 In addition, co-living should not be considered as an affordable housing product and should be clearly differentiated from Purpose Built Student Accommodation and should contribute to Council Tax revenue in the city.
- 7.4 It is suggested that following consultation, a policy approach is developed as part of the Local Plan, in order to define and manage planning applications in future. As part of this, the impact of any new co-living supply should be appraised and evaluated, and that such review is continued on an on-going basis.
- 7.5 Recommendations appear at the front of this report.

8.0 Contributing to a Zero-Carbon City

- 8.1 Future residential development proposals including co-living will need to be carefully considered in order to ensure that they contribute towards the city meeting its zero-carbon target by 2038. Construction will be required to meet the highest standards of sustainable development.
- 8.2 Where residents are choosing to live in the city centre, close to their place of work, and using walking and cycling facilities to travel to work, vehicle trips

and the resulting congestion and carbon emissions associated with vehicle trips are reduced.

9.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 9.1 A residential market offer of high quality design, targeting young professionals as occupiers, contributes to place-making in an area and will support growth of the economy by maximising the competitiveness of the city. Schemes that support the wider regeneration of an area can help drive new investment and redevelopment and meet the demands of a growing and dynamic work force. Young workers living in the city could support the growth of the local economy.

(b) A highly skilled city

- 9.2 New residential led development within the region's economic hub will both support population growth, and the retention of graduate talent in Manchester by providing an attractive residential offer in key areas of the city centre. Construction is a growing sector, and employment opportunities will arise from the development of new accommodation. It is suggested that co-living is supported only where it can be demonstrated to enable economic growth and the attraction and retention of skilled workers.

(c) A progressive and equitable city

- 9.3 New residential led development will support the Residential Growth Strategy to deliver new homes in the city, as well as the attraction and retention of the talent required to support Manchester's strong growth trajectory over a range of economic sectors.

(d) A liveable and low carbon city

- 9.4 The Council is committed to providing new homes in the city, close to job and leisure opportunities, reducing the need to travel. A key priority of new development is to promote sustainable travel modes to access the city centre, and to provide high quality public realm to provide attractive places for residents, workers and visitors alike.

(e) A connected city

- 9.5 Residential development in the city centre provides opportunities for residents to live close to their place of work as well as close to major transport hubs in the city centre, ensuring productivity, and enhanced connections to employment, networking and training opportunities.

10.0 Key Policies and Considerations

(a) Equal Opportunities

10.1 The Council's proposed approach to co-living will be consulted upon with a wide range of stakeholders, enabling all interested parties to engage in the process.

(b) Risk Management

10.2 Risks will be considered on a scheme by scheme basis.

(c) Legal Considerations

10.3 As the report sets out, any new planning policy relating to co-living will need to be developed and adopted through the local plan process. In starting that process, the report sets out some proposed principles and seeks authority to consult on them. A further report will be brought to the Executive to explain the outcome of that consultation and to make recommendations on the next steps.

Appendix 1 - London Plan Policy H18

- A. Large-scale purpose-built shared living Sui Generis use developments, where of good quality and design, may have a role in meeting housing need in London if, at the neighbourhood level, the development contributes to a mixed and inclusive neighbourhood, and it meets all the following criteria:
1. It meets an identified need
 2. It is located in an area well-connected to local services and employment by walking, cycling and public transport, and its design does not contribute to car dependency
 3. It is under single management
 4. Its units are all for rent with minimum tenancy lengths of no less than three months
 5. Communal facilities and services are provided that are sufficient to meet the requirements of the intended number of residents and include at least:
 - a. Convenient access to a communal kitchen
 - b. Outside communal amenity space (roof terrace and/or garden)
 - c. Internal communal amenity space (dining rooms, lounges)
 - d. Laundry and drying facilities
 - e. A concierge
 - f. Community management
 - g. Bedding and linen changing and/or room cleaning services.
 6. The private units provide adequate functional living space and layout, and are demonstrably not C3 Use Class accommodation
 7. A management plan is provided with the application
 8. It delivers a cash in lieu contribution towards conventional C3 affordable housing. Boroughs should seek this contribution for the provision of new C3 off-site affordable housing as either an:
 - a. Upfront cash in lieu payment to the local authority, or
 - b. In perpetuity annual payment to the local authority
- B. In both cases developments are expected to provide a contribution that is equivalent to 35 per cent of the residential units to be provided at a discount of 50 per cent of the market rent. If a lower contribution is proposed the scheme will be subject to the Viability Tested Route set out in part E of Policy H6 Threshold approach to applications.