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**Subject:** Consultation on the Regulation 19 Draft Sheffield Local Plan – Representations by the Watkin Jones Group  
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**Attachments:** [RSImage.png](#)  
[Sheffield Local Plan \(Reg. 19\) - comments of the Watkin Jones Group \(25.1.23\).pdf](#)

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Dear Sir or Madam

Please find attached the comments of the Watkin Jones Group PLC in relation to the Regulation 19 Draft Sheffield Local Plan.

Please could you confirm receipt of these representations.

We trust that our representations on these aspects of the draft Plan are of assistance to the Council and will be taken into account to inform the next version of the Plan. In the meantime, please do not hesitate to contact me if you have any queries.

Kind regards

Iain

**Iain Smith BA (Hons) MTPL MRTPI**

**Planning Director**

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50 JERMYN STREET, LONDON, SW1Y 6LX

25 January 2023

By Email – [sheffieldplan@sheffield.gov.uk](mailto:sheffieldplan@sheffield.gov.uk)

Dear Sirs,

### Consultation on the Regulation 19 Draft Sheffield Local Plan – Representations by Watkin Jones Group

Please see below the comments of the Watkin Jones Group PLC (WJG) in relation to the Regulation 19 Draft Sheffield Plan.

#### About Watkin Jones Group

With a focus on delivering for our customers since 1791, WJG is the UK's leading developer and manager of residential for rent homes. By spearheading this emerging sector, WJG is creating the future of living for a diverse and growing group of people who want flexibility, convenience and a strong sense of community alongside the best location and value. Its purpose-built build to rent (BTR, multi family), co-living and student homes are designed and built sustainably, and welcome people from all backgrounds to enjoy a great way of life, generating a positive impact for wider communities. Beyond residential for rent, its successful and well-established home building division has an increasing focus on the delivery of affordable and BTR single family homes.

With increasing pressure on many areas to speedily deliver new housing, WJG has an excellent track record of creating homes fast without compromising on quality. Over 95% of our projects are on site within six months of the grant of planning permission and its in-house construction capacity means that it can rapidly boost housing supply. Over the last 25 years WJG has delivered over 54,000 homes and currently has a £2bn pipeline.

Today, WJG successfully works across every part of the UK focussing on centrally located, previously developed sites. WJG's end-to-end delivery model means that we acquire, design and build places, and typically remain within communities as on-site building managers. Fresh is our multi award-winning operator-arm, who are currently managing approximately 23,000 rental homes at 72 locations across the UK and Ireland. Fresh achieves 95% customer satisfaction, and cares for our residents with a range of wellbeing and community building activities.

In Sheffield, WJG have achieved planning consents and subsequently delivered 4,265 homes. These comprise:

1. Steelworks House, Rockingham Street – 71 BTR homes, completed 2022
2. Steelworks House, Rockingham Street – 630 student homes, completed 2022
3. Hollis Croft, Garden Street/ Hollis Croft – 972 student homes, completed 2019
4. Bailey Fields, Rockingham Street – 543 student homes, completed 2018
5. Laycock Studios, Suffolk Road – 139 student homes, completed 2017
6. Gateway, Broad Street – 78 BTR homes, 39 completed in 2009 and 39 completed in 2016
7. Sharman Court, Broad Lane – 397 student homes, completed 2016
8. Corner House, Edward Street – 246 student homes, completed 2014
9. Impact, Upper Allen Street – 43 BTR homes, completed 2009
10. Rockingham House, Broad Lane – 224 student homes, completed 2008
11. The Pinnacles, Broad Street – 666 student homes, completed 2008
12. iQ Brocco, Edward Street – 256 student homes, completed 2006

#### Scope of Representations

Our representations are focussed on the land use policies in the consultation document relevant to the residential tenures that we deliver. As such, this representation focuses primarily on the following policies:



*Building the future*

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- Purpose Built Student Accommodation (PBSA) – Policy NC6.
- Build to Rent (BTR) – this is recognised as a residential tenure in Part 1 of the draft Plan (Vision, Spatial Strategy, Sub Area Policies and Site Allocations) but there are no policies within Part 2 of the Plan (Development Management Policies and Implementation) to guide the determination of planning applications for this tenure. Additionally, Policy NC3 'Affordable Housing' does not recognise the form of affordable housing (discount market rent or affordable private rent) which is provided within BTR developments.
- Co-Living – this is similarly recognised as a residential tenure in Part 1 of the draft Plan, but there are no policies within Part 2 of the Plan to guide the determination of planning applications for this tenure.

These are addressed in turn, along with our proposed recommendations to ensure that the Plan as a whole meets the tests of soundness set out in Paragraph 35 of the National Planning Policy Framework (NPPF) – namely, positively prepared, justified, effective and consistent with national policy.

### **Purpose Built Student Accommodation**

WJG is supportive of the approach suggested by draft Policy NC6 and offers no further comment at this stage. Should draft Policy NC6 change within further iterations of the draft Plan, WJG may make comments.

### **Build to Rent**

Part 1 of the draft Plan recognises that BTR is a residential tenure being delivered within Sheffield. WJG encourages the Council to assess the need for and viability of BTR in the city and positively plan for it within the Local Plan as required by the NPPF. Specifically, WJG requests that the Council includes a policy within Part 2 upon which future BTR schemes may be assessed and provides suggestions below as to what should be included within such a policy.

The overarching aim of the draft Plan to deliver housing across Sheffield is supported. The plans to encourage brownfield sites to come forward for new homes and mixed-use developments by promoting the redevelopment of vacant sites is also supported by WJG. In addition, WJG fully support the push to ensure development makes the most efficient use of land by promoting urban living across the city and encouraging all uses to use land effectively (e.g. Policies SP1, SP2, H1 and NC9).

WJG considers that the draft Plan should also give positive encouragement to the development of BTR schemes as these are ideally suited to smaller brownfield sites located within city centres that can be constructed at high densities given the high accessibility and strong amenity context. BTR schemes can also make significant contributions to local housing supply figures as a high number of units can be constructed and delivered within a short space of time.

The draft Plan fails to consider in any detail more modern housing tenures such as build to rent (or indeed co-living). Such tenures are actively promoted in the latest iterations of both the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG). The NPPG within the 'Build to Rent' (BTR) chapter (Paragraph: 001 Reference ID: 60-001-20180913) states

*“As part of their plan making process, local planning authorities should use a local housing need assessment to take into account the need for a range of housing types and tenures in their area including provisions for those who wish to rent. Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for build to rent homes in the area, and how it can meet the housing needs of different demographic and social groups”.*

NPPG continues by adding:

*“If a need is identified, authorities should include a plan policy setting out their approach to promoting and accommodating build to rent. This should recognise the circumstances and locations where build to rent developments will be encouraged – for example as part of large sites and/or a town-centre regeneration area”.*

It is not clear from the draft Plan as to whether any assessment has been undertaken by the Council into the potential requirement for BTR homes. WJG consider that the Council has missed an opportunity to include a

suitable policy for a growing market that can help to add to the Council's supply of housing and should proactively plan for it as part of the Local Plan process.

WJG consider that more clarity is required on affordable housing requirements is provided from BTR developments. In the first instance, WJG support policies which are clear in that regard will be given to development viability on a site-by-site basis. With regards to the discount required, it is notable that NPPG requires "a *minimum rent discount of 20% for affordable private rent homes relative to local market rents*" (Paragraph: 002 Reference ID: 60-002-20180913). WJG support the replication of the NPPG approach to affordable housing from BTR. Policy NC3 should be amended to recognise the form of affordable housing for this type of development (e.g. discount market rent or affordable private rent, operated by the same part as the remainder of the BTR development).

In summary, WJG encourages the Council to objectively assess the need for BTR across the city and plan for this tenure. To ensure that the plan is found sound, WJG requests that a new policy promoting BTR homes should be added to the Local Plan, and draft Policy NC3 should be adapted to recognise the form of affordable housing provided within BTR schemes as set out in the NPPF, having regard to development viability for the plan area.

### **Co-Living**

Part 1 of the draft Plan recognises that co-living is a residential tenure being delivered within the city. WJG encourages the Council to include policy within Part 2 upon which future co-living schemes may be assessed and provides suggestions below as to what should be included within such a policy.

Co-living, a form of BTR, is a relatively new concept of housing which aims to provide a housing option for single person households, who cannot or chose not to live in self-contained homes or houses in multiple occupation (HMOs). In planning terms this housing type is sui generis non-self-contained market housing and is not considered conventional residential, which would fall under Use Class C3. This type of housing is not restricted to particular groups by occupation or specific needs.

In addition, communal amenity space is provided in lieu of private floorspace to create a sense of community and encourage social interaction and engagement between its residents. The private units are appropriately sized to be comfortable and functional for tenant's needs and generally include en-suite bathrooms and limited cooking facilities (e.g. a kitchenette), but with access to larger kitchen and dining facilities elsewhere in the development. It is important to note that the Nationally Described Space Standards (NDSS) do not apply to this type of accommodation due to its key attribute as a 'cost-effective' alternative form of housing, which would be proven negligible should unit sizes be increased.

WJG is actively pursuing co-living schemes in core cities across the UK, noting that co-living has played an important role in attracting and retaining talent and supporting economic development. In fact, it is of note that some UK cities (e.g. Exeter) have installed a specific and pro-active drive for more co-living developments, recognising that those cities with already established co-living opportunities are at an advantage when seeking to retain and attract graduates seeking quality and cost-effective accommodation. On this basis, WJG has identified Sheffield as an ideal location to support, sustain and derive benefit from this residential model.

Other considerations for co-living homes policy include:

*Planning use* - co-living housing is for single households and in planning terms, falls under sui generis non-self-contained market housing. Therefore, requirements applicable to conventional residential development (Use Class C3) are not applicable to this housing type, this includes:

- a) NDSS
- b) Amenity space requirements.
- c) Affordable housing (applicable to conventional residential Use Class C3).

*Location* - co-living development should be supported on sustainable and accessible sites across Sheffield, particularly on brownfield land.

*Restrictions upon occupation* – a recognised benefit of co-living is that it offers a far more flexible approach than conventional residential products. This includes the potential for occupation by a number of different users. To restrict the type of user that can occupy co-living development would lead to a significant detraction in its

function as a unique offer, whilst reducing the contribution that co-living development can make to numerous types of housing. Additionally, it should be considered how the monitoring and management of any such restriction would be enforceable in practice, especially when considering that this approach would differ from most forms of residential development.

*Length of tenancy* - as noted above, the flexible approach that co-living development offers is a recognised benefit and key unique selling point of the product. This flexibility encompasses short-term letting, which is ideal for temporary business contracts and evolving accommodation needs which are commonplace in cities. To restrict the length of stay (either as a minimum or maximum) would therefore not only significantly harm the unique flexibility of co-living development but would also lead to significant disruption for tenants and increased cost of operation in practice. Additionally, the loss of both flexibility as a key selling point and the increased costs in operation would eventually challenge the viability and delivery of the co-living model as a whole. It is important to note that this form of accommodation does not just allow for a shorter tenancy periods, as many tenants will stay for far longer periods of time in our experience - the average tenancy will be more likely 18 months. We do not view co-living as an intermediate/ temporary form of accommodation, because part of the whole ethos of the product relates to building community. Indeed, shorter periods of less than 6 months will adversely impact on operating costs.

*On site facilities* - not all co-living schemes will provide concierge/ communal workspaces and/ or gyms for example, and many do not include room cleaning. We believe that the interrelationship between private rooms and shared amenity in terms of size and facilities is important, and that this should be judged on a case-by-case basis that the location of the building will influence the necessity or otherwise of some of these facilities – for example, a centrally located offer will benefit from a range of facilities nearby and therefore providing them within the building will not be viable.

*Space standards/ minimum unit sizes* - each co-living scheme should be considered on its own merits in terms of space standards as the layout of each can vary dependent on its scale and the specific market within locations. Therefore, each scheme should provide functional and high-quality private space which is supplemented by areas of shared communal space. This would facilitate a wider range of residential accommodation to be delivered within Sheffield to support additional choice both in the type of offer and the costs of accommodation. As noted earlier in this representation, NDSS does not apply to this type of accommodation due to its key attribute as a 'cost-effective' alternative form of housing, which would be proven negligible should unit sizes be increased. We do not believe that there should be minimum unit sizes as this unnecessarily restrict the market through delivering innovative design across a building, and the ability to offer affordable price points. Further, the whole premise of co-living is based on smaller units in return for higher levels of shared space and better service/ affordability (one sleeps in their room but lives in the building). Therefore, setting a higher bracket for room sizes will either prevent development from being viable, or lead to decreased affordability for local residents. In terms of shared amenity, this should be at a minimum of 1sqm per bedroom for the policy to be effective.

*Kitchen standards* - co-living schemes advocate a centralised kitchen (or kitchens) within a building to promote the wider 'community' aspect and provide better quality cook stations in a larger setting. The concept is quite different to a PBSA cluster approach which includes a series of smaller kitchens.

*Quantum of shared communal spaces/ facilities* – we believe that the area of amenity/ common space per resident and how this is split depends on the size of the scheme, as there are economies of scale at play. Examples of co-living schemes elsewhere have provided 2 to 3 sqm per studio.

*Management* - management plans should support developments to ensure they are managed and maintained and can integrate with surrounding communities. WJG provide long-term operational management platforms for each of their developments to ensure the well-being, safety and satisfaction of residents, and ensuring operators are being 'good neighbours' within local communities.

*Affordable housing* – whilst co-living development can significantly contribute to flexible and affordable housing stock, as noted earlier, co-living is considered to constitute a sui generis use and thus on-site affordable housing policy requirements are not considered applicable to such schemes. In this regard, within localities elsewhere which have been at the forefront of co-living, those local authorities have not sought any affordable housing from co-living schemes, as they recognise that it is a cost-effective form of residential accommodation. If the Council is minded to include a requirement for affordable housing from co-living, it is suggested that this is in the form of a payment in lieu towards Class C3 affordable housing elsewhere in the city.

*Car free* - due to the general location of co-living schemes within highly sustainable city centre areas, such developments are considered appropriate for car-free development. This is further supported by the general occupier of co-living development expected to live and work within the same city area. In fact, co-living development should be expected to be car-free as a base standard. Car-free schemes within city centre areas are commonplace, can significantly reduce reliance on the private car, and can promote more sustainable methods of travel such as cycling.

In summary, co-living is a uniquely flexible form of accommodation with numerous recognisable benefits, which can serve to facilitate the supply of cost-effective housing to meet specific needs in the city. On this basis, we recommend that the Council includes a specific policy on co-living within the Plan. This policy should recognise the importance that co-living can have in the delivery of housing for single households and key workers, whilst also recognising that this housing type can retain young graduates/ professionals and further enhance and stimulate the localised economy.

### **Conclusion**

We support Policy NC6 of the draft Plan which relates to purpose built student accommodation. Whilst Part 1 of the draft Plan supports the delivery of build to rent and co-living within Sheffield in principle, we encourage the Council to include policies with Part 2 of the draft Plan which support the delivery of build to rent and co-living in principle, and upon which planning applications for these tenures can be assessed. We have made suggestions as to what should be included within those policies to ensure that they are sound.

We trust that our representations on these aspects of the draft Plan are of assistance to the Council and will be taken into account to inform the next version of the Plan. In the meantime, please do not hesitate to contact Iain Smith on [REDACTED] or [REDACTED] should you have any queries.

Yours faithfully



Iain Smith  
Planning Director

