

# Technical Planning Guidance on Co-Living

Date: 4<sup>th</sup> April 2023

Report of: Chief Planning Officer

Report to: Development Plans Panel

## What is this report about?

### Including how it contributes to the city's and council's ambitions

- This report seeks Members' views on a technical planning guidance note, "Co-living Position Paper", intended to be used to help determine planning applications for co-living developments. This is necessary, in the absence of specific planning policy guidance for this type of development within the adopted Local Plan for Leeds or the National Planning Policy Framework (NPPF).
- Whilst there are a number of emerging formats, "Co-living" can be broadly described as a modern form of communal living, in which residents get a private bedroom in furnished accommodation with shared common areas.
- The technical planning guidance note sets out how existing adopted policy for the delivery of housing accommodation in Leeds will be used to determine planning applications for co-living residential schemes. This will help ensure that Core Strategy objectives that new development should deliver housing growth in sustainable locations, have regard to its impact on the local environment, plan for a sufficient mix, tenure, and type of housing to meet a range of community needs, support the provision of community infrastructure, high quality design and the improved public health and well-being of Leeds' residents are delivered through this type of development.

## Recommendations

Members of Development Plan Panel are requested to:

- a) Note and comment on the contents of the report and the draft technical planning guidance note "Co-living Technical Guidance note" at **Appendix 1**
- b) Note that subject to comments received the Chief Planning Officer will approve the technical guidance note for use in the determination of planning applications

## Why is the proposal being put forward?

- 1 The "Co-living technical guidance note" at **Appendix 1** will be important to provide clarification and detailed technical guidance on how the local planning authority will determine applications for co-living schemes.

## **What impact will this proposal have?**

- 2 Co-living is a new product within the market, and although there are some operational schemes in London, this is still new to most Core Cities. To date, the product is targeted at the recent graduate market, consultancy-type workers who only need to be in a particular location for a few months, key workers who work in city centres, and also recent incomers to cities who don't necessarily want to rent on their own or know anyone to house share with. The occupancy isn't restricted to particular groups like students or key workers.
- 3 Co-living shared spaces are accessible to all residents and are generally flexible so that they can be used for events and socials, residents can book spaces, use co-working rooms / meeting rooms. Generally, co-living schemes are within town and city centres that are close to employment hubs and concentrations and near to transport networks.
- 4 There is not a dedicated Use Class within the Use Classes Order for co-living. As such, a co-living use is likely to be a sui generis use (without a Use Class) or, in some cases, fall within a C3 dwelling houses (typical residential) use. However, it is important to ensure that the planning policies which secure quality in housing design, affordability, amenity, sustainability, accessibility, health and well-being and community infrastructure apply to co-living as well.
- 5 The "Co-living Technical Guidance Note" at **Appendix 1** sets out how this will operate in detail and will assist those wishing to submit planning applications for development and provide clarity to investors in the City by explaining in more detail how the Council's policies operate.
- 6 The technical guidance note sets out a definition of co-living, the Leeds housing market context, how existing Local Plan policies are expected to be applied and other considerations such as management, tenancies, and monitoring via post-occupancy surveys.
- 7 It is noted that the technical guidance note is interim pending formal policy setting via the Leeds Local Plan 2040 (which is currently at a very early stage of preparation) and will be kept under review and potentially updated as it is implemented.

## **What consultation and engagement has taken place?**

- 8 Members attended a workshop on Co-Living on Thursday 2nd December 2022 where all Plans Panel and Development Plan Panel Members were invited. Members expressed concerns about a number of issues, including: space standards, natural light and amenity, access to services within the accommodation and the health and well-being of residents. The outcome of that meeting was a need for detailed technical guidance to help steer current and future co-living proposals in the pipeline.

- 9 Officers have met with representatives of the development industry to explore the various issues likely to arise in determining planning applications as part of the preparation of this technical guidance note.

#### **What are the resource implications?**

- 10 The preparation of the technical guidance note has been met from existing budgets and will lead to a more efficient approach to providing detailed technical guidance to developers.

#### **What are the legal implications?**

- 11 The preparation of a Technical guidance note sets out the position of the Local Planning Authority in respect of matters (co-living) which are not currently included within the Adopted Local Plan for Leeds. Whilst the guidance cannot be afforded the same weight as the adopted Local Plan or other documents that have been subject to statutory consultation (e.g. Supplementary Planning Documents) once approved it will provide a clear position as to the approach the Local Planning Authority will take in determining such applications and will be a material consideration in determining planning applications

#### **What are the key risks and how are they being managed?**

- 12 There are risks of objections being presented to the local planning authority in the weight to be applied to this technical guidance note as a material consideration. Any objections can be considered as part of the Development Management process and decision taking on individual schemes.

#### **Does this proposal support the council's three Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

- 13 The technical guidance note supports all three of the Council's Key Pillars by providing clarity to investors in Leeds about the type of development that will be supported, whilst also ensuring that proposals have regard to their impact on the local environment, plan for a sufficient mix, tenure, and type of housing – including affordable – to meet a range of community needs, support the provision of community infrastructure – including greenspace, high quality design and the improved public health and well-being of Leeds' residents.

#### **Options, timescales and measuring success**

##### **What other options were considered?**

- 14 The Council considered making an SPD on this topic however the production of a position paper is more resource efficient pending a review of policy through the Leeds Local Plan 2040.

### **How will success be measured?**

- 15 The technical guidance note will help inform development decisions taken by the Local Planning Authority, which are monitored as part of the Authority Monitoring Report. Specific post-occupancy monitoring is recommended so that the Council can understand the lived experiences of residents in this new type of accommodation.

### **What is the timetable for implementation?**

- 16 Subject to DPP comments the technical guidance note will be approved by the Chief Planning Officer pursuant to delegate powers and published on the Council's web-site. It will be considered in the determination of planning applications from the date of approval.

### **Appendices**

Appendix 1: Co-living Technical Guidance note

### **Background papers**

17 None



# **CO-LIVING**

## **Technical Planning Guidance Note**



**V. March 2023**



## Contents

<b>1.Purpose</b>	-	<b>page 3</b>
<b>2.What is co-living Definition</b>	-	<b>page 4</b>
<b>3.Housing market context</b>	-	<b>page 5</b>
<b>4.Applying Local Plan Policies 7</b>	-	<b>page</b>
<b>5.Other considerations 11</b>	-	<b>page</b>

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<b>8</b>	<b>Diagram 1: Example private space configurations</b>	-	<b>page</b>
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# 1. Purpose

- 1.1 Co-Living is a relatively new concept of housing, characterised by relatively small individual private units supported by adjacent communal facilities, such as shared kitchens, lounges and amenity spaces. The model is being marketed largely to appeal to younger professionals looking for communal living. Whilst the model shares some similarities to purpose-built student accommodation, it is distinct in planning terms and attracts different end-users.
- 1.2 Neither the National Planning Policy Framework (NPPF), 2021 nor the Leeds Local Plan contain policies which specifically refer to Co-Living. It is recognised that there is currently the potential for an inconsistent approach to Co-Living applications without formal, visible guidance on the issue.
- 1.3 This technical planning guidance note therefore sets out the key issues in considering the acceptability of Co-Living schemes within Leeds and the key Local Plan policies that will be applied to such proposals

**This document will be kept under review to reflect on best practice and any changes to evidence and/or national or local policy.**



## 2 What is co-living?

- 2.1 Co-living is not a fixed product but rather a spectrum of different approaches which use the same model of studio units within a wider scheme with a range of amenity/shared facility provision. Designs of different schemes differ with the type and provision of shared amenity spaces distributed differently depending on the operator.
- 2.2 Though there are differences between different types of co-living there are some general characteristics which can point towards a co-living use:
- Purpose-built shared living model aiming to provide a high standard of accommodation
  - Residents have a private room/studio with ensuite within a wider development which includes a range of shared facilities (inc. kitchens, dining rooms, social spaces, workspaces, social spaces etc.)
  - Residents rely on / are actively encouraged to use shared facilities as part of the overall management and shared living approach
  - There's a single management regime and operator, on site concierge/management services, flexible tenancies, all-inclusive rent for utilities and access to services
- 2.3 Co-living is a relatively new product within the housing market, with a limited number of operational schemes. The product is targeted at the recent graduate market, consultancy-type workers who only need to be in a particular location for a few months, key workers, and also recent incomers to cities who don't necessarily want to rent on their own or know anyone to house share with. The occupancy isn't restricted however to particular groups like graduates or key workers.
- 2.4 There is not a dedicated Use Class within the Use Classes Order for co-living. As such, a co-living use is likely to be a *sui generis* use (without a Use Class) or, in some cases, fall within a C3 dwelling houses (typical residential) use. The availability of facilities to support the needs of day-to-day living within the private studios will likely be a determining factor of whether the proposal falls within a *sui generis* or C3 use. The nature of co-living schemes (i.e. day-to-day living is intended to be across the scheme as a whole rather than completely within the studios) indicates an intention to remove some elements of what would normally be expected to be found within a C3 dwelling house from within the self-contained studio and to provide these as communal facilities, which points towards more of a *sui generis* use. However, each case should be considered on its own merit (further advice on this is provided in Section 3. of this note.

### DEFINITION

**For the purposes of this technical guidance note Co-Living is defined as large scale purpose built and managed residential blocks, comprising private living units, with extensive communal facilities, under a single management company.**

3. HOUSING MARKET CONTEXT IN LEEDS





- 3.1 Co-living is generally aimed at the 20 – 44 age group which in Leeds accounts for 37% of the city's population<sup>1</sup>, one of the highest groups of working-age renters. The number of recorded private rented households is around 74,400 (22% of Leeds's households).
- 3.2 Leeds' household profile is weighted towards single and two-person households, accounting for 66% of overall total. The 2021 census data for the breakdown on house share data is not yet published however given the percentages weighted towards single and 2 person households there is potentially a market for this type of accommodation in Leeds.
- 3.3 Promoters of co-living state that the anticipated demand for co-living mainly arises from the recent graduate market, with student numbers expected to continue to rise, it follows that graduate numbers will also continue to rise and so there may be a particular demand from the graduate market.
- 3.4 There are estimated to be around 70,000 full time higher education students in Leeds. Unipol anticipate that student numbers could rise by 8,400 by 2025 and given Leeds' high graduate retention rate, it is likely to generate demand for additional shared housing, whether purpose built in co-living form or in another form.
- 3.5 There is an Article 4 Direction in place which restricts the uncontrolled growth of further HMOs in much of the city centre and inner area by suspending the Permitted Development Right to convert a C3 dwelling house to a C4 HMO without the need for planning permission. Some promoters of co-living have suggested this highlights a growing backlog of need for shared / intermediate accommodation in the city.
- 3.6 The Council doesn't have any evidence that co-living schemes would meet a particular housing need (as this was not considered as part of the 2017 Strategic Housing Market Assessment (SHMA) – co-living wasn't a well-known product at this point in time). To understand whether there is a need in Leeds, this would have to be captured as part of evidence base work so that this can be used to inform future plan-making exercises. However, it should be noted that whilst understanding whether there is a housing need for co-living will be an important consideration for policy-making, when a planning application is submitted, whether there is a specific need for that development or not is not a material consideration for the purposes of determining that application, so applications for co-living must be assessed and determined on their own merit.
- 3.7 The 2017 Leeds SHMA at Table 6.1 points to a continued market dwelling requirement for 1- and 2-bed housing and flats/apartments alongside an anticipated projected increase in the 15-29-year-old age group of 9.3% up to 2033. However, the City Centre appears to be performing well against the market aspirations for both 1 and 2 bed flats (Table 6.2) and market expectations (Table 6.3).<sup>2</sup>
- 3.8 In general terms, co-living proposals in the City Centre would be appropriate to the character of the city centre and would be consistent with other purpose-built student

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<sup>1</sup> Leeds Observatory, Census 2021

<sup>2</sup> NB at time of writing LCC have commissioned a new SHMA. Once this is available, anticipated later in 2023, reference to the update will be needed.



accommodation generally supported in the City Centre (whether market sale or Build to Rent Schemes). However, through the Council's continued work to monitor and implement Core Strategy Policy H4 (Housing Mix) effectively, there has been a drive to improve the mix profile within the City Centre, with recent successes in securing the delivery of more 3-bed accommodation, contributing to meeting SHMA expectations for a mix of housing.

- 3.9 Co-living schemes outside of the city centre will be assessed on their merits and the character of the area. Generally co-living schemes tend to locate in locations that take advantage of high frequency public transport with easy access to employment hubs (usually town/city centres) and this alongside consideration of housing mix will be key considerations as to the appropriateness of co-living proposals outside of the city centre.



## 4. Applying Local Plan Policies

- 4.1 There is an expectation within the development plan that residential development will contribute to wider policy outcomes, such as green space, affordable housing and accessible housing, travel planning and accessibility. As co-living is considered to be a form of long-term residential accommodation (irrespective of a C3 or *sui generis* use), it is considered appropriate for this type of residential development to reflect wider policy objectives, as such existing Core Strategy and other development plan policies can be used to secure positive contributions towards strategic aims from co-living schemes.
- 4.2 The following policy objectives guide the assessment of co-living proposals. The policy objectives are not exhaustive (other development plan policies and other material considerations will be used to shape schemes as appropriate):

### Quality of amenity within the accommodation

- 4.3 Notwithstanding the question of use class, the Council expect high quality development, particularly at prominent City Centre locations, as well as elsewhere. Schemes would need to ensure that residents have a good standard of amenity, in respect of private space and facilities, outlook, daylight, noise, security and communal space. Consideration should be given to how best to help ensure this through the planning process, and whether a conditioned management plan could help to address some of these issues.

#### *Relevant policies:*

- *Core Strategy CC1 (within the city centre),*
- *UDP BD5,*
- *UDP GP5*
- *Core Strategy P10*

### Shared facilities

- 4.4 Consideration around the level of provision of certain shared day to day living facilities/functions is considered a key part to the successful design and quality of living for residents in proposed co-living schemes. Access and provision of shared day to day living facilities/functions have to be present and easily accessible in the overall accommodation as they can't be carried out in the private studios because they are too small.
- 4.5 These shared facilities could comprise shared kitchens and dining areas, lounges for socialising, laundry facilities, outside amenity/greenspace, home working areas, depending on availability of facilities within the private studios.
- 4.6 In assessing whether sufficient communal space has been provided the scale of development, number of occupants, level of provision within communal facilities e.g. number of ovens, fridges etc. and accessibility of provision i.e. location and spread of facilities across floors will be taken into account.

### Kitchens





Tenants should have easy access to communal kitchen facilities that enable them to prepare meals. Communal kitchen provision should be sufficient that no tenant must travel between different floors to prepare their meal and no tenant should be unable to prepare their meal at times of relatively high demand.



Dining rooms & lounges

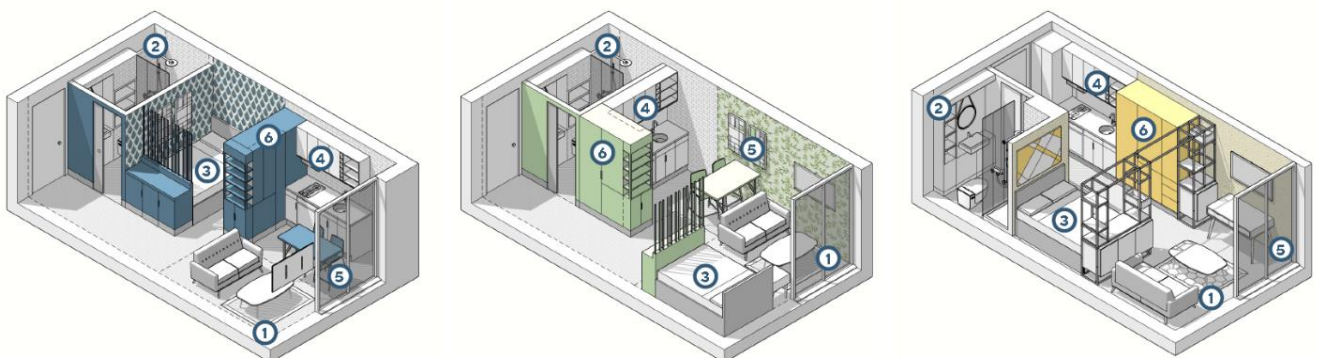
These larger facilities should facilitate social interaction and provide good residential quality.

Private space

4.7 The private studios would have to provide sufficient space for bathroom, sleeping facilities and general maneuvering space and private storage which meet the Nationally Described Space Standards technical guidance and/or any other living functions which are not shared.



**Diagram 1: Example private space configurations**



Example co-living room configurations

Key elements within each configuration: ① Living space ② En-suite ③ Double bed ④ Kitchenette ⑤ Desk / table ⑥ Storage

4.8 There is a strong inter-dependency between the individual rooms and larger shared facilities provided within the co-living model. Ensuring a positive relationship and accessibility between these spaces in co-living developments will be a key determinant of quality and residential amenity.

Space Standards

4.9 The Council’s approach is informed by the Nationally Described Space Standards<sup>3</sup>, which states that the minimum space requirement for a single person is 37sqm. Co-living private studios tend to be less than this. The Council will consider the quantum of communal space based on aggregating out the shortfall of the private studio size against the Nationally Described Space Standards. However, this approach will be kept under review. Key to the consideration is the location, distribution, amenity, and quality of these communal spaces.

<sup>3</sup> Technical housing standards – nationally described space standard - GOV.UK (www.gov.uk)



### Affordable Housing

4.10 Price points for co-living schemes typically sit at between £800 and £1200 for all-inclusive rent (based on London figures). Concerns are raised that an expansion of co-living in the city centre and other areas could lead to the loss of affordable housing provision/contributions. The Council have a clear expectation for major development (10 or more dwellings, or where the number of dwellings is not known, a site area of 0.5ha or more) to contribute towards affordable housing. It may be determined that the most appropriate approach for co-living schemes to contribute is a commuted sum in lieu of onsite provision.

*Relevant policies:*

- *Core Strategy H5*

4.11 The use of the benchmark rate for affordable rents for Build to Rent (BTR) developments is suggested as an appropriate approach, given that the management, operation and anticipated occupancy of co-living developments are very similar to that of BTR. This is based on local earning levels and applied as a price per sqm.

4.12 There may also be opportunities to explore local lettings options.

4.13 There will be a clear need to ensure that the units are tenure-blind in respect of quality, access to shared spaces and ability to use shared/communal facilities.

### Greenspace Contribution

4.15 Outdoor amenity for residents is a key consideration. Co-living schemes tend to have outdoor amenity space such as roof terraces or gardens for the private use of residents which is not considered publicly accessible greenspace (Core Strategy para 5.5.18.2).

*Relevant policies:*

- *Core Strategy G4 (outside of city centre), G5 (within the city centre)\**

4.16 In the City Centre the provision of greenspace is only a consideration on residential sites over 0.5ha in size (Policy G5). However, where it would be applicable for “typical” residential accommodation the Council will justify a financial contribution due to the nature of the accommodation and use the existing calculation methodology because the residents will be placing the same demands on green infrastructure.

4.17 For outside of the city centre, the Council will apply the existing G4 approach.



### Travel Planning

- 4.18 The Council will take the approach for agreeing a travel plan and funding for developments in excess of 50 private studios.

*Relevant policies:*

- *Core Strategy T2*
- *Transport SPD (Part 4)*

### Accessible housing

- 4.19 The Council should ensure that both the communal spaces and private studios have circulation space, entrances, level thresholds and other accessibility features as set out with in Part M of the Building Regulations. In accordance with Policy H10, a proportion of the private studios would need to meet both the M4(2) 'accessible and adaptable' and M4(3) 'wheelchair user' standards in line with our approach for residential development.

*Relevant policies:*

- *Core Strategy H10*

**This note has highlighted the main policy considerations, but this is not exhaustive and other development plan policies will be used to shape schemes as appropriate.**

**This note must be read alongside the most up to date Leeds Local Plan.**

### Management

- 5.1 Co-living developments provide smaller self-contained private studios and tenants rely on well-managed communal facilities and services to meeting their day to day living needs. Therefore, to ensure consistent, transparent, high-quality and cost-effective services and management, it is important that these developments are retained under single management for the whole of their life. The following considerations are sought:
- a. That the health and wellbeing of individual tenants is considered in the approach to co-living so that the risk of isolation is minimised, and communities established.
  - b. The Co-living model tends towards a relatively high household density with a high frequency of residents moving in and out. A management plan is therefore important to ensure that acceptable levels of residential amenity are provided for tenants and neighbours.



- 5.2 The plan should include details of the following;
- i. Management including 24-hour contact details
  - ii. Controlled access through a lobby or communal area
  - iii. Refuse collection including recycling
  - iv. Procedures for addressing anti-social behaviour

*Relevant policies:*

- *UDP Saved Policy GP5 and Core Strategy P10 (iii), (iv) and (v)*

### Tenancies

- 5.3 Unlike Built to Rent developments, which provide a longer-term housing option for renters, co-living is typically marketed to tenants as an in-between housing choice before finding a more permanent form of accommodation. To ensure that the product is providing housing, rather than being used as serviced holiday apartments or as a form of temporary hostel/hotel accommodation appropriate conditions which may include removal of PD rights may be imposed as both these alternative uses give rise to a different set of planning considerations.

### Post occupancy surveys

- 5.4 Post occupancy surveys are encouraged to further the qualitative evidence of user experience and market demand.

### Development Management

- 5.5 The Council has an obligation to properly consider and assess applications that are submitted. The approach set out in this note suggests a route forward for considering emerging co-living schemes in Leeds, which is to:
- i. treat each proposal on a scheme by scheme basis
  - ii. set out the policy aspirations and desired outcomes re. affordable housing, green space, space standards, quality etc. through discussion with applicants to ensure quality living conditions.
  - iii. recognise that this approach is a starting point which may change over time as the market develops and evidence re. function / quality comes to light.
- 5.6 The Council offers an advice service on proposals before submission of a planning application. This is not compulsory, but it will make submitting a proposal easier. The advice provided will provide a useful steer on proposals, leading to better quality developments and an increased chance of a quicker decision on the application.
- 5.7 All enquiries should be submitted on a planning pre-application advice enquiry form with the appropriate fee. If applicants require advice on multiple options for the site/development, separate enquiry forms and fees will be required.
- 5.8 More information and the relevant forms can be found on the Council's website:  
<https://www.leeds.gov.uk/planning/planning-permission/pre-application-enquiry-service>



- 5.9 Planning applications should also be supported in the usual way by appropriate documentation, including, for example: Design and Access Statements, Noise and ventilation reports, Transport Assessments, Environmental Statements, Flood Risk Assessments and Drainage Strategies, Sustainability Assessments, waste/energy strategies and Energy Assessments.
- 5.10 Planning application(s) should be supported with evidence of comprehensive master planning which demonstrates how the application contributes to and delivers the key principles set out in this document.

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**v. March 2023**