

REF: R00136/IN/EH/MR

BY EMAIL ONLY - CamdenLPPO2025@outlook.com

Pauline Butcher
C/O Camden Council
Town Hall
Judd Street
WC1H 9JE

13 March 2026

Dear Pauline,

**EXAMINATION OF THE CAMDEN LOCAL PLAN 2026-2041
HEARING STATEMENT: MATTER 5 – DELIVERING AN INCLUSIVE ECONOMY
ROK PLANNING ON BEHALF OF UNITE GROUP PLC**

I write on behalf of the applicant, Unite Group Plc (Unite), to submit a Hearing Statement in response to the matters, issues and questions raised by the Inspector (K Ford) concerning the Examination of the Camden Local Plan, which will set out the spatial strategy for Camden to 2041.

The submission of this Statement follows representations made on behalf of Unite to the previous stages of the draft Local Plan's preparation, as follows:

- Camden Regulation 18 Consultation – dated 13th March 2024.
- Camden Regulation 19 Consultation – dated 27th June 2025.

Introduction

Unite Students is the UK's largest owner, manager, and developer of purpose-built student accommodation (PBSA). With more than 143 properties in 22 leading university towns and cities, Unite Students is home to around 64,000 students, living predominantly in en-suite study bedrooms with rents covering bills, insurance, and 24-hour security.

Driven by a common purpose: to provide a 'Home for Success' to live, work and invest, Unite Students is committed to raising standards in the student accommodation sector with the support of over 60 university partners.

Founded in 1991 in Bristol, the Unite Group is an award-winning Real Estate Investment Trust (REIT), listed on the London Stock Exchange. For more information, visit Unite Group's corporate website www.unitegroup.com or the Unite Students' site www.unitestudents.com.

Following on from the representations submitted on behalf of Unite to the New Local Plan Regulation 19 Stage Consultation, dated 27th June 2025 and hereafter referred to as 'Reg. 19 reps', this Statement focuses on Matter 5 (Delivering an Inclusive Economy) and specifically Part 2.A of Policy IE4 (Affordable Workspace) which relates to the benchmark of the provision of affordable workspace.

Policy IE4 (Affordable Workspace)

The draft wording of Policy IE4 (Affordable Workspace), which relate to our Hearing Statement is as follows:

- A. *The Council will require schemes to contribute towards a mixed and diverse economy that allows a variety of business types and sizes to access premises suitable for meeting their needs, particularly during the start-up phase. The Council will:*
1. *require all major schemes providing at least 1,000sqm GIA of offices, research and development uses or light industry (use classes E(g)(i), E(g)(ii), E(g)(iii)) to contribute to the delivery of affordable workspace;*
 2. *seek a working benchmark of 20% of the net additional floorspace to be provided at 50% of the market rent for a minimum period of 15 years; and*
 3. *apply the following hierarchy when securing affordable workspace:*
 - a. *on-site provision of affordable workspace that meets locally identified requirements in terms of type and specification (configuration, fit out, etc.) and addresses the demands of priority sectors and small and medium enterprises;*
 - b. *off-site provision of affordable workspace on another site in the borough that meets the requirements in A.3.a above. There should be a clear link between the off-site location and priorities for affordable workspace provision identified in the Council's Affordable Workspace Strategy;*
 - c. *a payment in lieu of provision that can be invested by the Council, which is equivalent to the cost of on-site delivery, in line with the payment in lieu calculator below. This will be used by the Council to fund affordable workspace elsewhere in the borough.*
- B. *The Council recognises that different types of affordable workspace are needed depending on location and that the costs of delivery will vary. To ensure the opportunities arising from affordable workspace are optimised, the Council will support a mix of affordable workspace provision with rents, periods of discount and specification based on the requirements of target occupiers. Any provision must be consistent with the definition of affordable workspace set out in the London Plan.*
- C. *Where affordable workspace is provided, the Council will expect the applicant to submit an operating plan, setting out what model of affordable workspace is to be provided, sectors/occupiers to be targeted and details of how the space will be managed.*

D. *The Council will expect the affordable workspace element of a mixed-use scheme to be made available for occupation at the same time as any employment floorspace at market rents.*

There have been no main or minor modifications proposed to the relevant part of the policy as confirmed in the Schedule of Proposed Main Modifications (SD51) and Schedule of Proposed Minor Modifications (SD50).

Inspector's Question

The Inspector's Matters, Issues and Questions (ED04) set out the Inspector's question in relation to Policy IE4, under Matter 8 – Delivering an Inclusive Economy, under the Issue:

“Whether the Plan is positively prepared, justified, effective, consistent with national policy and in general conformity with the London Plan in relation to transport”.

With reference to Policy IE4, this includes questions 19, 20, 21 and 22, and while we are mainly addressing question 19 within our Hearing Statement, we hope to support the overarching question of whether Policy IE4 is justified and effective.

Matter 5: Issue: Questions 19 to 22

19. What evidence supports the requirement in A.2 of the Policy which seeks a working benchmark of 20% of the net additional floorspace to be provided at 50% of the market rent?

This was explored within in our Reg 19 reps, which ultimately argued that the introduction of a 20% requirement of affordable workspace is too high. Unite recommended that:

- Part A.2 of Policy IE4 is reworded to an affordable workspace contribution benchmark of 10%, with Unite supportive of a 10% proposed gross new employment floorspace as affordable workspace on site at discount market rents.

In response to our Reg 19 reps, Camden have commented within their Proposed Submission Local Plan (Regulation 19) Consultation Responses – Excel Spreadsheet (SD31):

“The Council has undertaken a viability assessment of the draft Local Plan which considers the cumulative impact of its policies. The Viability Assessment considered that the policy approach in IE4 is viable. The policy makes clear that different schemes may provide different amounts of affordable workspace having considered all of the relevant circumstances, e.g. type of space being provided and location. Further part A(2) makes clear that the target is intended to be used as a “working benchmark” which should allow flexibility in the consideration of individual schemes. Paragraph 9.61 also states that financial payments may be accepted in lieu of provision, including where evidence is provided relating

to viability.”

To begin, UK PBSA demand remains resilient amid the shifting macro conditions. The UK is the home of 26 of the highest globally ranked universities according to the 2026 Times Higher Education World University Ranking, a feature which continues to drive up international and domestic student figures. Annual PBSA reports from leading real estate companies, such as Knight Frank and Cushman & Wakefield, have found that the PBSA market is made up of 743,000 beds for the 2025/26 academic year, a net gain of 10,000 beds on 2024/25. Additionally, July to September 2025 marked the largest third quarter on record for PBSA investment in the UK, with £1.83 billion transacted. Nevertheless, a report from CBRE (May 2024), states that London is home to more than 400,000 full time students, with a provision of only just over 100,000 PBSA beds, demonstrating a significant imbalance with supply.

Turning to the current macro conditions, and taking construction activity in the first instance, the BTG Advisory has stated that in the 12 months to October 2024, 4,208 construction companies in England and Wales entered insolvency. This figure represents 17% of total insolvencies by industry and marks a 31% increase compared to 2019 pre-pandemic levels when 3,217 companies went under. The combination of higher material /input costs, wage inflation, heightened regulatory environment (namely through the BSR) and heightened energy and heat requirements have influenced this outcome. According to PBSA providers, build costs in London now sit at circa. £150,000 – £175,000 per bed for a standard scheme, a figure which has effectively doubled in the last 8 years.

While Unite acknowledge that the introduction of a 20% requirement of affordable workspace is a “working benchmark” and flexibility should be considered to individual schemes, along with other affordable contribution requirements, such conventional affordable housing contribution outlined in Policy H9, implementing an affordable workspace requirement of 20% will affect the economic viability of development projects. The higher percentage could in some instances make certain projects financially unfeasible, and in combination with factors such as higher renter levels, unviability, fewer affordable bedspaces and the sacrificing of amenity/ open space, it will likely discourage investment and potentially stall economic growth in the area.

It is also important to consider the implications of enforcing such a contribution at the level currently proposed, especially when this has not been tested or assessed against PBSA schemes. As noted above, the ‘London Borough of Camden Local Plan Review Viability Study – Regulation 19 Update’ (EB01), tests only typologies C1-C5, which comprise either office with affordable workspace and residential, or lab enabled space with affordable workspace and residential. As such, no viability testing has been undertaken for the requirement of 20% of the net additional floorspace to be provided at a 50% discount rate within PBSA schemes. This requirement is likely to have implications for the economic viability of such schemes coming forward.

Unite is supportive for the provision of affordable workspace as part of the delivery of new employment floorspace in Camden. However, Unite would recommend that the affordable workspace contribution benchmark is amended to 10%, which would better respond to the current economic climate.

Suggested policy modifications

The following amendment to the policy wording of Part A.2 is therefore suggested as per the below (additions in bold and deletions in strikethrough):

- A. *The Council will require schemes to contribute towards a mixed and diverse economy that allows a variety of business types and sizes to access premises suitable for meeting their needs, particularly during the start-up phase. The Council will:*
1. *require all major schemes providing at least 1,000sqm GIA of offices, research and development uses or light industry (use classes E(g)(i), E(g)(ii), E(g)(iii)) to contribute to the delivery of affordable workspace;*
 2. *seek a working benchmark of ~~20%~~**10%** of the net additional floorspace to be provided at 50% of the market rent for a minimum period of 15 years; and*
 3. *apply the following hierarchy when securing affordable workspace:*
 - a. *on-site provision of affordable workspace that meets locally identified requirements in terms of type and specification (configuration, fit out, etc.) and addresses the demands of priority sectors and small and medium enterprises;*
 - b. *off-site provision of affordable workspace on another site in the borough that meets the requirements in A.3.a above. There should be a clear link between the off-site location and priorities for affordable workspace provision identified in the Council's Affordable Workspace Strategy;*
 - c. *a payment in lieu of provision that can be invested by the Council, which is equivalent to the cost of on-site delivery, in line with the payment in lieu calculator below. This will be used by the Council to fund affordable workspace elsewhere in the borough.*

20. Is the minimum period of 15 years justified given that the Viability Study has established that term length is a viability variable?

Unite support the term length proposed within the Camden Draft Local Plan.

21. Should there be any exemptions from the requirements of the Policy?

See response to Question 19 above.

22. What are the viability implications of the Policy requirements?

See response to Question 19 above.

Summary



We suggest a reduced requirement or flexibility regarding the level of the working benchmark of provision of affordable workspace, which will ultimately in turn allow for the provision of greater student bedspaces and/or greater amenity space for occupiers to cater for growing demand.

Unite reserve the right to further their comments via participation in the Matter 5 (Delivering an Inclusive Economy) Hearing as part of the Examination in Public starting in May 2026.

I trust this Statement is in order and look forward to confirmation of safe receipt. If you require further clarification or wish to discuss this further, please do not hesitate to contact either Erlina Hale (erlina.hale@rokplanning.co.uk), Immie North (imogen.north@rokplanning.co.uk) or myself at this office.

Yours Sincerely,



Matthew Roe
Director
ROK Planning Ltd

