

Consultation on the New London Plan – June 2025

ARL draft response to London Plan consultation section 2.18 covering Co-Living

The Association for Rental Living (ARL) welcomes the opportunity to respond to Section 2.18 of the draft London Plan, which addresses the role of PBSA and Co-Living in meeting London's housing needs.

The Association for Rental Living represents all institutionally backed, professionally managed purpose-built rental living sectors including urban and suburban single-family and multi-family rental, co-living and later living.

Association for Rental Living membership currently stands at over 310 organisations across the rental living sector ecosystem, reaching 5,400 professionals. It is committed to setting and raising standards across the BTR sector as demonstrated by the BTR Code of Practice.

We strongly support the recognition of co-living within BTR as a distinct and vital component of London's housing supply. BTR has proven its ability to deliver high-quality, professionally managed homes at pace, with strong tenant satisfaction and long-term institutional investment. However, we believe the draft policy could go further in unlocking the full potential of the sector.

Context

Over the past decade, London has seen a steady rise in smaller households. The average household size in England and Wales fell from around 2.4 persons in 2011 to roughly 2.2 people by 2022–23. Over 30% of UK households now consist of a single individual—around 8.4 million people—accounting for 13% of all households and up 8% since 2013. In London, the average household is particularly small at around 1.6 persons per household. These trends reflect a structural shift in household composition, with increasing demand from smaller households, underscoring the need for a more diversified housing supply, including well-designed co-living.

Co-Living contributes towards housing targets at a ratio of 1.8:1 based in the current London Plan and MHCLG note (May 2018) and has the ability to make effective use of land at a high density and meaningfully contribute towards London's ambitious housing target of over 88,000 net new homes per annum.

We support the direction that co-living developments may contribute important accessible options and wellbeing support which are lacking in the traditional private rental sector.

Co-living operates on the same principles as the Build to Rent (BTR) sector – long-term institutional investment, purpose-built and professionally managed. The Association for Rental Living has led the development of a Code of Practice and Customer Charter for BTR, which also applies to co-living. This Code and Charter is being taken forward by the BTR Taskforce and sets the standards to which all investors, developers and operators of BTR and co-living operate, with customer fairness, quality of accommodation, community and placemaking, and sustainability as core values.

The Role of Co-Living in London's Housing Ecosystem

Co-living as a legitimate, purpose-built and professionally managed housing typology that builds on the operational DNA of PBSA. As the graduate demographic and urban professional class face acute

affordability and social isolation challenges, Co-living offers a scalable, community-oriented, and flexible housing solution aligned with modern living patterns.

Shared Living Familiarity: Students emerging from PBSA are already accustomed to en-suite living, communal spaces, and inclusive billing — Co-living simply continues this format with added autonomy and flexibility.

Operational Continuity: Many leading PBSA operators are entering or exploring Co-living (e.g. Greystar, Vita Group), using the same asset management, technology and customer service platforms.

Demographic Affinity: Both sectors serve mobile, digitally fluent, experience-driven populations. Co-living caters to the “graduate generation” before they can access family BTR or ownership.

We call on local and national authorities to formally recognise Co-living in planning frameworks and provide a supportive environment akin to that enjoyed by PBSA.

We support the recognition of co-living as a distinct and valuable housing typology. Co-living provides:

- Flexible, professionally managed accommodation for young professionals, key workers, and mobile urban residents.
- A viable alternative to informal flat shares, improving housing standards and freeing up traditional housing stock.
- Efficient use of land in high-density, high-accessibility locations, often on brownfield sites unlocking tricky infill or over-station sites.
- Tackles undersupply of 1-bed homes in urban centres without requiring large footprints per resident.
- Supports labour market mobility by providing accessible, flexible homes for NHS workers, civil servants, and creatives.
- Reduces social isolation via designed-in community infrastructure, addressing growing mental health concerns.
- Builds resilience in housing supply, acting as a shock absorber for city rental markets post-COVID and in cost-of-living crises.

Co-living needs to be seen as a form of conventional housing - it may not fall under a C3 use class, but at a fundamental level it is simply a purpose-built version of a house or flat share, HMO or studio. As a consequence, co-living should not be grouped together with PBSA. They are serving a completely different sector and are different physically, functionally and socially.

Co-living should be seen as complementary to Build to Rent (BTR) and Purpose-Built Student Accommodation (PBSA), forming part of a broader spectrum of rental living options.

2. Contribution to Housing Supply and Density

We support the Plan's recognition that co-living contributes to housing targets at a ratio of 1.8:1. This reflects the intensive land use and high occupancy of co-living schemes, which can help meet London's ambitious housing targets without displacing family housing.

We recommend:

- Continued support for co-living in areas with high PTAL ratings and strong employment hubs.
- Encouragement of design innovation to ensure high-quality communal spaces and resident wellbeing.

3. Affordable Housing and Accessibility

We acknowledge the consultation's focus on affordability. There is no recognition for how co-living can contribute to other forms of affordable housing such as for key workers, low to middle incomes (intermediate) and single people on Council's Housing waiting lists. It is proposed that a discounted market rent (DMR) option for co-living should be included in a similar way that PBSA can contribute towards affordable housing through discounted rent.

While co-living is not a substitute for traditional affordable housing, it can:

- Offer lower entry costs than self-contained flats.
- Provide predictable, all-inclusive rents, which are attractive to those on moderate incomes.

There are examples of operational co-living developments in London where the affordable housing is in the form of discounted rents, this includes Sunday Mills in Earlsfield and Florence Dock in Battersea, and other Boroughs like Salford City Council that support DMR in their Local Plan. This approach can help house public sector workers closer to their places of work, middle earners and those who may never secure social housing to work and help promote more mixed communities in shared living schemes with greater housing choice for younger people in London who face affordability challenges. This approach could also tie in to Intermediate products and Key Worker Living Rent initiative which is outlined in the consultation document.

We recommend:

- A clear and proportionate approach to affordable housing contributions, recognising the unique operating model of co-living.
- Consideration of affordable co-living units at discounted rents, particularly for key workers.

4. Avoiding Displacement of Family Housing

We support the Plan's recognition that co-living typically occupies sites unsuitable for family housing, such as constrained urban plots. It is unlikely to crowd out general needs housing and may in fact relieve pressure on the private rented sector, reducing the conversion of family homes into HMOs.

5. Regulation and Standards

To ensure quality and resident wellbeing, we support:

- Minimum space and amenity standards tailored to co-living.
- Management and service expectations, including community engagement, maintenance, and tenant support.
- Monitoring of outcomes, including affordability, occupancy, and resident satisfaction.

Conclusion

Co-living is a vital part of London's evolving housing landscape. It offers a high-quality, flexible, and efficient housing solution for a growing segment of the population. The London Plan should adopt a supportive and enabling policy framework that recognises the distinct role of co-living while ensuring it contributes positively to housing supply, affordability, and urban vitality.

Just as PBSA is now a well-regarded part of the UK's education and housing infrastructure, Co-living should be granted the same legitimacy, planning recognition, and policy support. It is a proven, desirable, and scalable housing model built on the foundation of PBSA success.

Co-living needs to be seen as a form of conventional housing - it may not fall under a C3 use class, but at a fundamental level it is simply a purpose-built version of a house or flat share, HMO or studio. As a consequence, Co-living should not be grouped together with PBSA. They are serving a completely different sector and are different physically, functionally and socially.

We do not support the suggestion that site allocations or specific targets at London or Borough level are introduced.

There is no need for a revised policy approach to balance the delivery of co-living against general needs housing. Instead, the new London Plan should focus on measures that can be introduced in order to stimulate the traditional residential market.

The approach to delivering affordable housing for co-living development should be widened to include a DMR approach. This would provide more housing options for existing Londoners, middle-income households and London's essential workers.

A review of more general requirements for co-living buildings in light of our members' experience of developing and managing operational schemes, this would cover matters such as amenity provision, cycle parking, blue badge parking etc.

The Association for Rental Living stands ready to discuss the issues raised in this submission in more detail. We also offer to arrange for GLA and Borough Council members to visit co-living sites on a Study Tour to gain further insight into co-living and the role it can play in helping meeting London housing targets.