

Creating spaces: Rethinking office and retail conversions and raising standards of permitted development schemes

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Permitted development

- The definition of development, in place since the 1947 Act, is wide-ranging
- To avoid the system becoming clogged-up with minor matters, there has always been a category of development which does not require planning permission expressly granted by the LPA but are rather ‘permitted development’
- This is based on a proportionality principle, because state intervention should be based on likelihoods of impact or harm. PD traditionally small and temporary structures
- Governed by secondary legislation, the GPDO, which in effect gives planning permission on a national basis to strictly defined categories of development

Extending permitted development

- Since May 2013, the government have allowed the change of use of offices-to-residential use as permitted development (except for a few areas of exemption, including the CAZ in London)
- Initially experimental but made permanent in 2015, followed by additions to allow light industrial to residential, retail to residential and agricultural to residential PD also
- Size limit of 150m² per scheme applied to retail to residential, no size limit at all for office to residential
- 18,863 new dwellings created under Permitted Development Rights across Greater London between 2015 and 2020

Widespread concerns in the early years

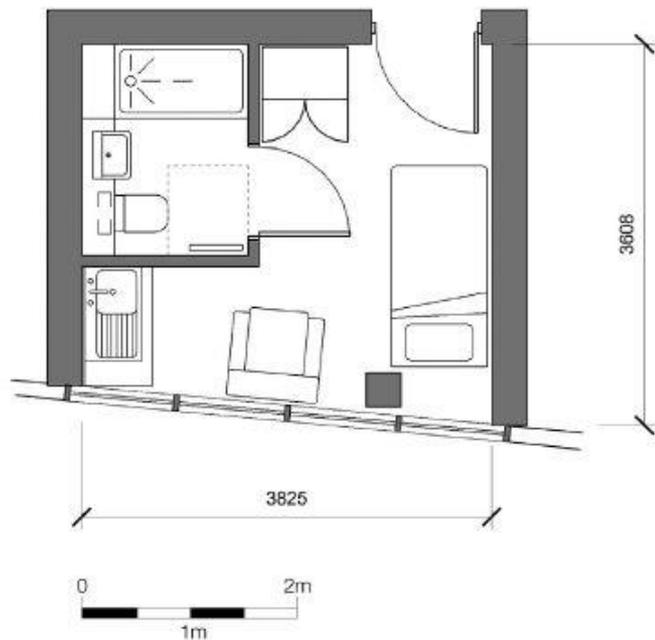
- A number of professional reports and professional and general media articles about office-to-residential PD
- Concern about loss of affordable housing (EGi, 2015; London Councils, 2015)
- Concern about loss of office space, particularly smaller and cheaper stock (BCO 2015; BCO, 2017)
- TBR (2014) reports that 2004 to 2013, Camden lost about 60,000m² of office space contrasting with 23,000m² in less than 12 months since the introduction of office-to-residential PDR alone
- Clifford et al (2018) for RICS and Clifford et al (2020) for MHCLG as studies of impacts of this PD on the ground

PDR: creating quality housing?

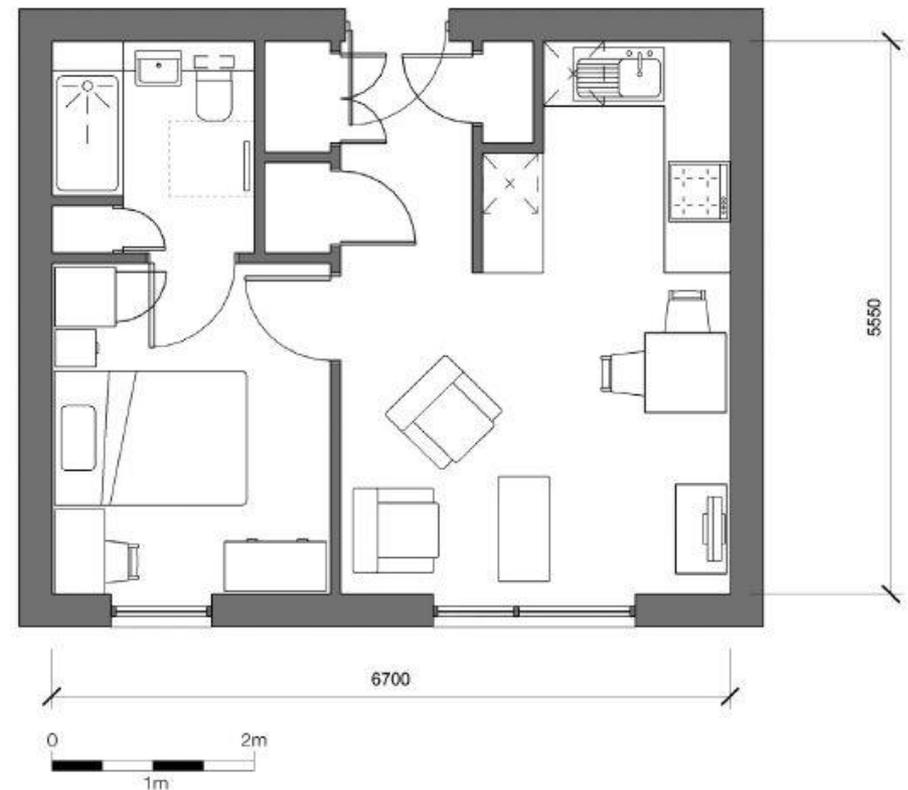
- Issues about workload for local authorities with low prior approval fees / lack of affordable housing contributions / lack of planning gain confirmed in our 2018 report
- Main issue was, however, that without proper planning control of individual scheme design, residential quality varied enormously and essentially at the whim of the developer. Some high-quality developments but examples of 'studio' flats just 15m². 2018: just 30% of PD units meet national space standards compared to 94% with planning permission (2020: 22% met space standards)
- Less likely to have access to private or communal amenity space (balconies, roof terraces) – 2018 study found just 14% of the PD units benefitted from this (2020 – just 3.5%)

PDR: creating quality housing?

- Park (2019) illustrates what space standards mean...



Newbury House single studio 13m²



NDSS compliant one person flat 37m²

PDR: creating quality housing?

- 77% PD units are studios, or one beds (compared to 37% with planning permission – 2018 study). Cater to a very narrow segment of the residential market / overcrowding
- One resident we interviewed gave evidence of families with children in one-bedroom units, and no open or play space in the development or nearby for the children
- Some units with no windows at all, or strange layouts with little natural light. 72.0% of the dwelling units created under PD only had single aspect windows, compared to 29.5% created through planning permission (2020 study)
- PD schemes 8 times more likely to be in industrial estates / business parks (albeit only 7.9% of PD)

Illustrating PD housing...



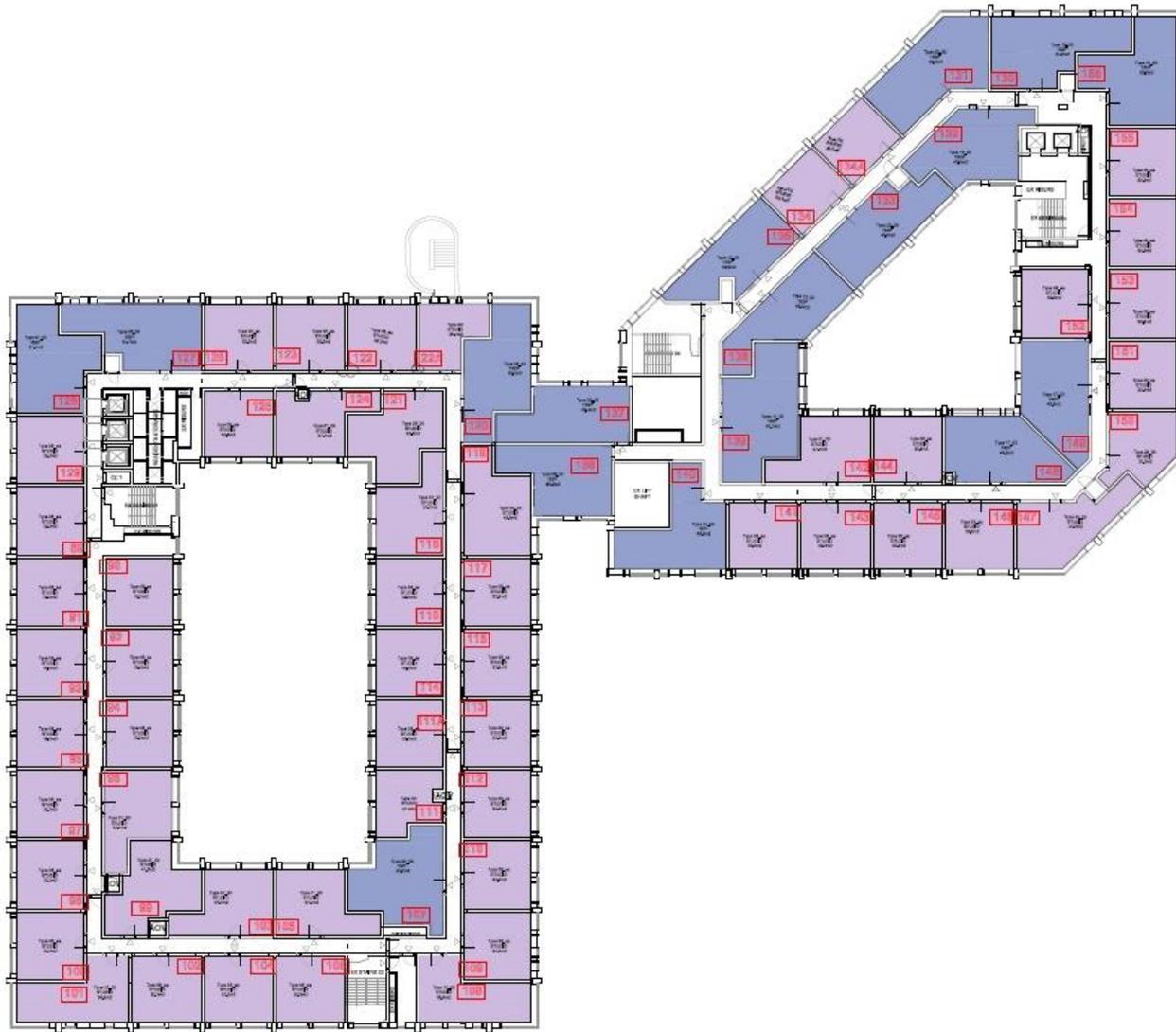
Illustrating PD housing...



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Illustrating PD housing...



PD extensions and additional safeguards

- June 2020 amendments to GPDO to require ‘adequate natural light’ to all habitable rooms of PD residential
- July 2020 extensions to PD to include building upwards by two storeys for residential and demolish-and-rebuild commercial as residential albeit with additional prior approval conditions allowing the LPA to consider ‘external appearance’ (both) and ‘the design of the new building’ (demolish and rebuild)
- August 2020: *Planning for the Future* proposes further use of PD if it matches ‘pattern books’ (not clear how much these would cover) but also that in future the Infrastructure Levy should cover all PD conversions to residential

PD extensions and additional safeguards

- September 2020: SoS announces in future PD conversions will need to comply with the Nationally Described Space Standards (applies April 2021)
- December 2020: government launches a consultation on a proposed new PDR to allow the change of use from the new Commercial, Business and Service Use Class (Class E) to residential uses (Class C3). Implemented August 2021 with some safeguards around vacancy and industrial locations and a scheme size limit of 1,500m²
- Clifford et al (2021) for TCPA finds that these new rules mean that about 80.3% of rateable buildings could now potentially be converted to residential use under PD

PD isn't good planning ... but exists

- PD commercial to residential conversion isn't good planning. Not the result of proactive spatial vision. Danger of 'pepper potting' high streets. Continuing lack of planning gain and particular issues around green and social infrastructure. Lack of access to outdoor space, play space provision, potential unsuitable immediate locations and skewing impact on local development markets
- Legacy of already created poor quality housing, often used to house the most vulnerable in society
- However, most pressing issues of space standards and natural light have been addressed. Although restricted, local authorities can remove the rights in some closely geographically defined areas through Article 4 directions

PD isn't good planning ... but exists

- Further, buildings are a significant source of global carbon emissions; as they become more energy efficient during their operational phase, embodied carbon becomes a greater concern. Conversion can be environmentally friendly
- Data from openLocal database shows 19% of commercial premises in Richmond and Hammersmith & Fulham are vacant. Across Greater London, office vacancies have risen more than retail vacancies over recent years. With vacant commercial buildings and demand for housing remaining high, can we afford to ignore conversion opportunities?
- Less reputable developers responsible for some poor PD schemes, but could more socially focused providers (e.g. local authorities themselves) make positive use in future?