



Permitted Development Rights

What's happening?

What's new?

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White Paper conference

May 2021

Agenda

- My brief from the conference organiser
 - Talk about the new Permitted Development Rights
 - Class E to residential use
 - What kind of housing will be coming forward?
 - Exciting innovation or damp squib?
- The answer is probably 'neither'
- I'll come to that
- But first let's establish the basic facts
- And see if history has any lessons

Facts

The new PDRs

- MHCLG laid new regulations on 31st March
 - Effective from 1 Aug 2021
- To provide new Permitted Development Rights
- And other changes to PDRs
- Allow some Class E uses to convert to residential
- Without planning application
- Includes offices, which already have PDRs
- Adds
 - Shops, restaurants, cafes, leisure, gyms, nurseries, health centres
- Change of use still needs prior approval
 - Covering basic issues
 - Such as flooding, site access, noise
 - Plus social impact of losing nurseries / health centres
 - And impact on local character and sustainability
 - But only in conservation areas

The old PDRs

- The main one was office-to-residential change of use
 - Introduced in 2013
 - Initially as temporary measure
- Impacts: housing
 - Homes delivered through change of use PDRs
 - (the great majority from office to resi)
 - Peaked at almost 19,000 in 2016-17
 - By 2019-20 had fallen to c12,300
 - Produced some very low-quality housing
 - See case studies
 - from UCL, Liverpool Uni, Levitt Bernstein
 - Just 22-30% met national space standards
 - Some studios as small as 15-16 sq m
 - Bad natural light (sometimes no windows)
 - Bad surroundings / no amenity space
 - Conversions that had planning permission were better
 - No S106 contributions
 - for affordable housing or infrastructure



Source: Levitt Bernstein, 2019

The old PDRs continued

- Impacts: economic
 - We do not have a national assessment
 - But much evidence on local and regional markets
 - Regional example: London
 - Evidence is in London Office Policy Review 2017
 - 31,000-36,000 office jobs 'disrupted' since 2013
 - *'The overwhelming majority'* probably in SMEs
 - *'occupying less expensive space'*
 - *Which may be hard to replace...*
 - *A significant disruption to the small business economy'*
 - Outer London especially affected
 - Local example: London Borough of Richmond
 - 28% of office stock was lost
 - Before Council brought in Article 4 direction
 - Losses were concentrated in small mews-style offices
 - Including schemes the Council had actively encouraged
 - This office stock was fully occupied
 - Largely by creative SMES



THE MEWS

Bridge St

Google

What's different this time

- The scope of PDRs is expanding massively
 - Previously was offices and light industry
 - (For which suitable stock has been running out)
 - Now also includes retail, leisure etc
- The govt has bought in some limitations
 - In response to criticism
 - There's now a three-month vacancy requirement
 - And a size limit of 1,500 sq m
 - The new homes must meet national space standards
 - Prior approval considerations are expanded
 - To include '*adequate natural light*'
 - And impact on nursery and health centre provision
 - And noise etc from industry and similar uses
 - (Agent of change principle)
 - Also character and sustainability
 - But only in conservation areas
 - As noted earlier

Opinions

Rationale

- Consultation document came out in December 2020
- Explains why government supports change of use Class E to resi
 - *‘High streets and town centres have felt the effect of structural changes in consumer spending and retailing...’*
 - *‘We want to support our town centres and high streets in adapting to these changes to become thriving, vibrant hubs where people live, shop, use services, and spend leisure time...’*
 - *‘Quality residential development... will create housing opportunities including for those who will benefit from close proximity to services, such as the elderly...’*
 - *‘[It will also] boost footfall and create additional demand.’*
- But why without planning permission?
 - The answer is brief
 - *‘A more streamlined planning process with greater planning certainty’*

Consultation responses

- Government response paper doesn't count voices for / against
 - Apparently because
 - *'The consultation did not explicitly seek views on whether to introduce the right or not'*
 - (Why not?)
 - But adds that
 - *'Comments were received on that matter nevertheless'*
- Such comments came in large numbers
- And were overwhelmingly negative
- I can find just one major organisation in favour
- It's the Home Builders' Federation (HBF)
 - *'We support the permitted development right in principle'*
 - [Because it gives] *'greater certainty'*
 - And *'ensures there are no unnecessary delays'*
- Other stakeholder seem overwhelmingly against
 - Not just the usual suspects
 - RTPI, TCPA, RIBA, local planning authorities
 - But also business and commercial property interests
 - See for example letter to Secretary of State 21 Feb 2021

Industry bodies warn Secretary of State: uncontrolled conversions to residential will damage high streets

.... We therefore ask you to consider re-evaluating this policy. Instead, we believe more support should be given to local authorities to develop their own renewal plans, under clear direction in national policy.

Association of Convenience Stores

Association of Cycle Traders

Association of own & City Management

The BID foundation

Booksellers Association of UK & Ireland

British BIDs

British Independent Retailers Association

British Property Federation

British Sandwich & Food to Go Association

Craft Bakers Association

CPRE the countryside charity

Entertainment Retailers Association

Guild of Fine Food

Independent Retailers Confederation

Institute of Place Management

London Forum of Amenity and Civic Societies

National Association of British Markets

National Craft Butchers

National Association of Jewellers

National Federation of Independent Retailers

NMTF

Planning Officers Society

Royal Institute of British Architects

RICS

Town and Country Planning Association

UK Cinemas

Objections: housing

- Quality
 - Objectors say substandard housing will be created
 - Just like the first round of PDRs
 - Admittedly adequate natural light is now required
 - But could be unopenable skylights, no windows
 - There's nothing about ventilation or clean air
 - Many high streets suffer severe pollution
 - Or quality of external environment
 - Or access to green / open space and amenities
 - Ground floor shops make unattractive flats
 - Homes may be far from services and public transport
 - Will be especially unsuitable for families
 - But poor families will be forced into it
- Quantity and mix
 - Contribution to total housing supply will be minor
- Home Builders Federation comments

'We must provide... an adequate supply of land for housing of all types. The Covid-19 pandemic has highlighted an increasing desire for flexible, family housing with outdoor space. Focussing solely on conversions of urban buildings will not meet this need,'

Objections: social / community

- No contribution to infrastructure or affordable housing
- Will displace businesses that are viable and needed
 - Including essential shops and services
 - Hurts the most deprived communities
 - And the least mobile individuals
 - (The three-month vacancy test may not help
 - As landlords often remove tenants against their will
 - Happens all the time with industrial property)
- There's nothing to require or encourage good design
 - Which is a government priority
 - See Planning White Paper
 - New development should be *'beautiful...to create a net gain not just a no net harm... with a greater focus on placemaking and the creation of beautiful places*
- Less democratic oversight and community engagement

Objections: economy

- Everyone agrees that much change of use must happen
 - (Although everywhere is not the same
 - Some local centres may need *more* retail
 - If post-Covid we stay closer to home)
- But objectors say piecemeal change won't work
 - There'll be dead frontages
 - Loss of critical mass
 - Hence reduced footfall and vicious circle of decline
 - Especially where ownership is fragmented
- To attract consumers needs agglomeration of commercial uses
 - High density of shops and services close together
 - And the right mix of uses
 - And quality of place
 - This is what planning is for
- Change should be holistic and plan-led
 - This is what government says it wants
 - See NPPF
 - And guidance on Towns Fund
 - And on Future High Streets Fund



'... there are less risks of this PDR leading to poor quality development and townscape where there is single institutional ownership of an urban area or town centre setting. For example, a location such as King's Cross, where it is in single ownership, the landlord would be able to take a holistic view for the entire area when considering the merits of converting, for example, a retail unit to residential. Ultimately, the large landlord would be highly unlikely to go ahead with any conversion as this would be to the detriment of the wider 'place' they are seeking to create.'

BPF consultation response

Alternatives

- There are other options
- To simplify and speed up development management
- And increase certainty
- Without throwing out baby with bathwater
- For example
 - Amend NPPF to create presumption in favour
 - Use Local Development Orders (LDOs)
 - Use PDRs as last resort
 - Where the planning authority is dragging its feet
- The government has not considered alternatives

Conclusions: The new PDRs

The government v objectors

- There is much opposition to the new PDRs
- Not because the critics object to change of use
 - Everyone agrees it must happen
 - And on a large scale
- The question is how to go about it
- The government's case for PDRs is twofold
 - Streamline planning and increase certainty
 - The first point is correct
 - PDRs do simplify and speed up the process
 - The second is doubtful
 - Do PDRs increase certainty?
 - Depends who for
 - For the applicant, yes
 - For neighbouring owners, occupiers, investors
 - No, quite the contrary
 - Make it harder to predict what will happen around you
- Objectors say
 - Simpler and faster comes at unacceptable cost

The principle

- The original idea of PDRs
 - Was to 'automate' routine decision-making
 - So saving time and money
 - So planners have more time for important things
- In PDRs considerations have to be few and simple
 - The same everywhere and for everyone
- But in restructuring of high streets and town centres
 - There's nothing routine about it
 - The considerations are many and complicated
 - Everywhere is different
- So PDRs are a useful tool for some purposes
- But to rescue / reinvent the high street?
- Maybe not so much

Potential impacts: social

- The new PDRs do carry risks
- Housing quality
 - Likely to produce substandard housing
 - In unsuitable surroundings
 - Just like the previous round of PDRs
 - Poor families forced into bad housing
- Wider issues
 - No contribution to infrastructure and affordable housing
 - Loss of essential shops and services
 - Harm to the most deprived and least mobile
 - There's nothing to require or encourage good design
 - Goes against the wider government agenda
 - Democratic deficit

Potential impacts: economic

- Commercial success is about agglomeration
 - Many retail and service outlets close together
 - The right mix of outlets
 - Quality of place and public realm
- Planning should help create these conditions
 - Needs holistic plan-led approach
 - Decide what goes where
 - ('Internalise externalities')
- The new PDRs go against this
- So they may not be efficient
 - Even in their own terms
 - Some landlords / landowners will gain
 - Others will lose
 - The net benefit may be negative

Thank you

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