

Our Fragile High Streets – Death by Permitted Development Rights?

This briefing summarises the main findings of TCPA-commissioned research on the likely impact of planning deregulation

The full report, *Mapping Class E: Understanding the Expansion of Permitted Development*, by Dr Ben Clifford, Dr Adam Dennett and Bin Chi, can be found at <https://www.tcpa.org.uk/2021-pdr-research>



Background – changes to planning rules

Local shops and other commercial buildings are crucially important to the wellbeing of communities. Lively, useful and safe town centres and high streets matter. They are the hearts of our towns and cities – they are where we go to socialise, buy groceries, or access important support services. Neighbourhood corner shops, too, are crucially important resources, especially for those without access to transport.

In recent years, though, high streets across England have been ravaged by the rise of online retailing and the impacts of the COVID-19 epidemic. In response, the government has made bold claims about ‘reinvigorating’ them, ‘levelling up’ ‘left-behind’ places, and ‘building beautiful’. But at the same time as making these claims the government has also stripped away councils’ ability to shape their local places, or ensure that new homes are fit to live in.

It has done this by expanding ‘permitted development rights’ (PDR) which allow buildings of various types to be converted into homes without full planning permission. The dreadful consequences for residents’ and neighbours’ health and wellbeing of delivering homes through PDR are now well established.¹⁻⁴ It is for good reason that such developments have been described as ‘slums of the future’.⁵

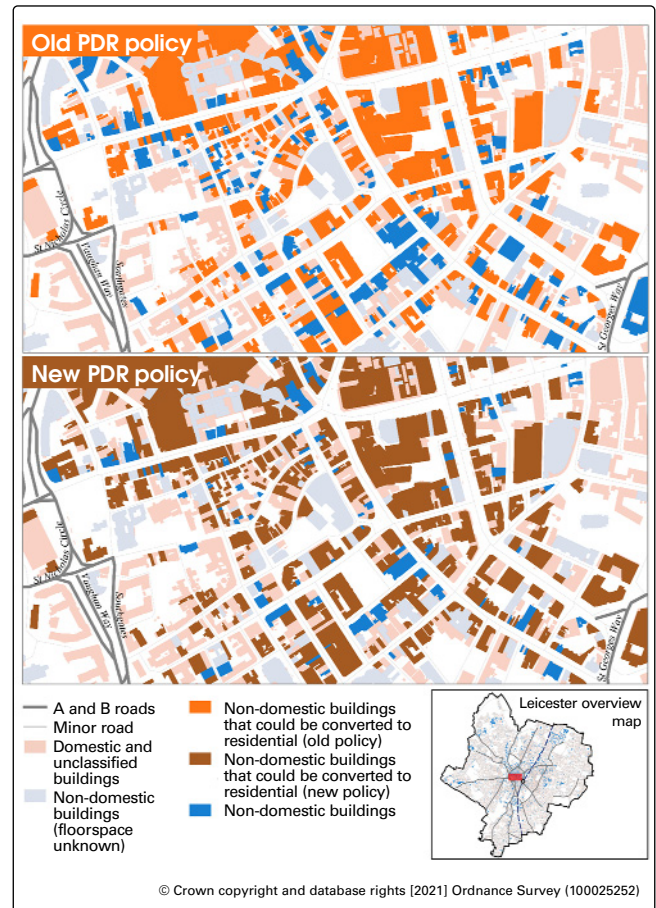
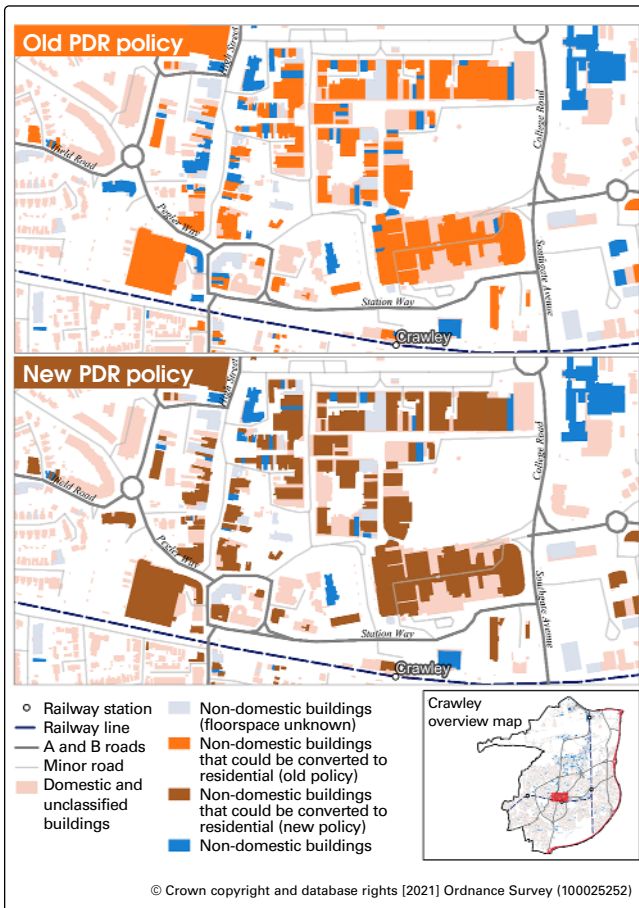
Despite this, on 1 August the government will expand permitted development rights so that they cover the vast majority of commercial buildings. For the first time it will be possible for landlords to convert almost all shops, cafés, restaurants, gyms, nurseries and day centres into homes without having to apply for full planning permission. The value of residential development is so high that in many places there will be huge incentives for landlords to do this, and some high streets will be gutted as a result. What has not yet been examined is the likely scale of the change across England. How many shops might we lose as result of the government’s changes to planning?

This is the question that this research considered – and the answer is shocking. Examining four case study areas representing different types of built environment across England – Barnet, Crawley, Huntingdonshire, and Leicester – **the researchers found that 80.3% of shops and other commercial buildings could be lost to residential conversion.**⁶

This figure is as high as 89% for Barnet. In Leicester and Crawley it stands at 77%, and in Huntingdonshire 75%. The full research report contains a series of maps which demonstrate the huge potential impacts on neighbourhoods in each of these places. In some neighbourhoods, entire high streets run the risk of

Notes

- 1 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902220/Research_report_quality_PDR_homes.pdf
- 2 <https://www.rics.org/globalassets/rics-website/media/knowledge/research/research-reports/assessing-the-impacts-of-extending-permitted-development-rights-to-office-to-residential-change-of-use-in-england-rics.pdf>
- 3 <https://journals.sagepub.com/doi/full/10.1177/0042098020936966>
- 4 <https://www.tandfonline.com/doi/abs/10.1080/23748834.2020.1833281?journalCode=rcah20>
- 5 https://www.london.gov.uk/sites/default/files/slums_of_the_future_-_permitted_development_conversions_in_london_by_tom_copley_am.pdf
- 6 Under the current PDR rules, introduced over several years since 2013, 60.1% of shops and other commercial buildings across the case study areas could be lost. This is itself a shockingly high figure



The impacts of the changing commercial-to-residential PDR policy – in Crawley town centre (left) and Leicester city centre (right)

being converted into housing. Clearly, anywhere near this reduction in commercial premises – whether shops, cafés, restaurants, gyms, nurseries, or day centres – would rip the heart out of our communities. And once shops have been converted into homes, they are extremely difficult to convert back.

Additional impacts

The impact of PDR across the country goes beyond this immediate loss of local shops and services, damaging as it is. As high streets become pockmarked with housing, footfall in remaining shops may diminish, further threatening their viability.

More widely, there is nothing to stop new shops being delivered through PDR in cheap but unsustainable, car-dependent, out-of-town locations.

And it is not just shops and services that will be affected by the 1 August changes: as increasing numbers of offices and industrial units are converted under the new rules, **employment opportunities will be lost as well**. This may undermine local economies and leave people having to make unsustainable commutes to get to work. Some councils have been so concerned about this that they have bought office parks to stop them being converted into houses.⁷

The government's rationale – and its shortcomings

The government claims that these changes to the planning rules are needed because *a)* there is a housing crisis and we need to build more homes, and *b)* with the widespread switch to online retailing there is an excess of retail space. Converting shops into homes therefore makes sense. It is true that there is a need for more homes and for many high streets to evolve if they are to thrive. But any resulting conversions should be made through the planning system. Indeed, there is nothing to stop the government from encouraging councils to use this route more often through policy and other incentives. Delivering conversions through the planning system, and not PDR, offers crucial advantages:

- Conversions could be made in a way that does not undermine the viability of the remaining shops and ensures that communities have the services that they need.
- Local people and councillors would continue to have a say on the future of their high streets.
- Planners would be able to ensure that new homes converted from shops and offices are of high quality, healthy, and safe.
- Planners could ensure that new homes converted from shops and offices are attractive and fit well into the local area.
- Councils could collect funding from developers to be used to provide the infrastructure (such as new schools, GP practices, play areas, bus lanes, etc.) that

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7 <https://www.hertfordshiremercury.co.uk/news/hertfordshire-news/hertfordshire-county-council-invests-28m-3903088>

is necessary to support new residents and ensure that existing residents do not have to endure the adverse consequences of new development. Unlike developments which go through the full planning system, those secured through PDR do not need to provide such funding.

The government also claims that a rule whereby shops and services must be vacant for three months before they can be converted into homes through PDR will prevent otherwise viable businesses being lost. However, there are concerns that three months is not long enough, and will simply incentivise property-owners to leave their buildings vacant for this period in order to make them eligible.⁸

Local authorities can, technically, issue 'Article 4 directions' to block PDR conversions where they would be particularly damaging to the local area. However, the Secretary of State has been extremely resistant to granting such directions, requiring them to be very limited in scope, and has recently published a Written Ministerial Statement making clear that he intends to limit their use even further in the future.⁹

The case for a Healthy Homes Act

The further expansion of PDR amounts to a massive centralisation of planning powers, and further undermines local democracy, leaving little opportunity for communities to have any say on changes to their built environment. We already know about the impacts of existing PDR on the quality of new homes and the wellbeing of residents. But this research reveals the potential scale of the impact of extended PDR on high streets. Communities in towns, cities and villages across the country may be left without services vital to their health and wellbeing.

Following an extensive inquiry into the consequences of delivering homes through PDR, the cross-party House of Commons Housing, Communities and Local Government Select Committee has called for the government to:

*'pause any further extensions of permitted development rights for change of use to residential, including the new class MA right, which is due to take effect on 1 August, and conduct a review of their role within the wider planning system.'*¹⁰

It seems unlikely that the government will do so, given its ongoing commitment to delivering homes through PDR, even in the face of strong criticism from across the sector. The alternative for the government is to adopt a robust, binding series of principles and underlying standards which would guarantee that all new homes would *a)* support the health and wellbeing of their residents, and *b)* positively contribute to their local environment. This is what the TCPA and Lord Nigel Crisp have been campaigning for in the form of a Healthy Homes Bill.¹¹ **If passed into law as a Healthy Homes Act, it would transform not just the quality of new homes delivered through PDR, but the entire way in which the built environment is regulated in England, shifting it from harm mitigation to the active promotion of health and wellbeing.** To find out more, visit:

<https://www.tcpa.org.uk/pages/category/healthy-homes-act>

Methods

The academics who conducted this research, Dr Ben Clifford, Dr Adam Dennett and Bin Chi (all of University College London), had to use a novel methodology because there is no national dataset categorically placing each unit or building into a planning 'use class'.

The researchers therefore used datasets from the Ordnance Survey (primarily Points of Interest data, which is a location-based directory of all publicly and privately owned businesses, education and leisure services in Britain, categorised into 621 different types) and from the Valuation Office Agency (which provides floorspace information for all premises liable for business rates) in order to understand the extent of impacts that could result from commercial-to-residential changes of building use under the 'old' PDR policy (in force until 31 July 2021) and under the 'new' policy (in force from 1 August 2021) in each of the four case study areas.

Contact for further information

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8 <https://committees.parliament.uk/publications/6896/documents/72563/default/>

9 <https://questions-statements.parliament.uk/written-statements/detail/2021-07-01/hcws145>

10 <https://committees.parliament.uk/publications/6896/documents/72563/default/>

11 <https://www.tcpa.org.uk/pages/category/healthy-homes-act>