Has the freedom to change offices to housing been a success?

Arita Morris looks at the effects of Permitted Development 'Class O' conversions

There are very few who would dispute that since the introduction in May 2013 of permitted development (PD) rights allowing change of use from office-to-residential, that this has fulfilled the previous government's aim of boosting the supply of housing.

An *Estates Gazette* report in late summer 2014 highlighted that applications for conversion by refurbishment had increased over tenfold. Information based on data supplied to the Greater London Authority by the London boroughs indicates that between May 2013 and May 2015, approvals have been granted for at least 16,600 new dwellings through these permitted development rights.

Following the Government's October 2015 press release it had been expected that the regulations would extend the permitted development right to allow, for the first time, applicants to demolish offices to then build housing. This has not been done in the regulations so far and it remains to be seen if this will come to pass.

What's the problem?

So it's a success, right? Well local authorities, amongst many others, would disagree. Not unreasonably, Local Authorities do not like the Class O procedure because it takes away their power to decide planning applications and assess the proposals against strategic and other local needs.

The prior approval process replaces the conventional planning application process. PD rights only require information to assess whether the prior approval of the authority will be required as to flooding, highways and contamination issues – and now impacts of noise from commercial premises – on the intended occupiers of the development.

The other stipulation is that development under Class O is permitted, subject to the condition that it must be completed within a period of three years, starting with the prior approval date.

And that's it; no space standards. No requirement for lifetime homes or wheelchair housing. No sustainability targets. No car parking or cycle storage requirements. No meaningful objection process. No amenity requirements including private outdoor space or internal daylighting standards.

It's no wonder that PD is seen as unregulated development that disregards housing quality standards and has the potential to create wider impacts such as loss of employment space that cannot be controlled or mitigated.

It's no surprise therefore, that there have been a number of questions raised about the quality of the housing that has been created, whether the local infrastructure exist to support this amount of new housing, the impact on local employment uses, and the loss of affordable housing which the PD right circumvents.

The London Council's Report (August 2015[7]) contained a number of case studies which revealed the potential downsides of the PDR. Not least the loss of local employment space and direct impacts on jobs as the PD rights do not make a distinction between occupied and vacant office accommodation.

Additionally, let's not forget the loss of affordable housing. But this might be a moot point, as one of the reasons planning rules have been relaxed is the government's view that councils were inflexible in their approach to change of use. Hence, the hypothetical loss of affordable housing is difficult to determine as many of the prior approval applications may not have been granted under a normal planning application process.

The other main concern was the quality of accommodation; in particular, restricted floor space.

For example, Croydon is one area which has been subject to a great deal of office-to-resi conversion. An article in the Croydon Advertiser (November 12, 2015) cited that since permitted development was introduced, 1,705 flats were approved covering 100,000 sq. metres of empty town centre office space. Figures obtained by the Advertiser show that 27 of the 29 buildings converted using permitted development feature homes that would have been rejected under the normal planning process for being too small.

For example:

- 21A George Street – 14.9sqm studio flat
- 24 Barclay Road – 16sqm studio flat
- Token House, Robert Street – 16sqm studio flat
- 3 Church Road – 18sqm studio flat

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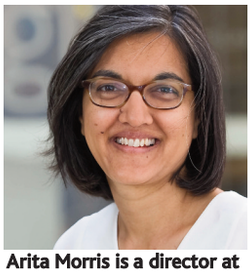
RIGHT:
Acre House Covent Garden
A conversion of office to resi by CGL



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>>> • 22 South End, South Croydon – 18.5sqm studio flat

Clearly, internal space is an issue, however one developer, Inspired Asset Management, makes the point that permitted development had enabled developers to bring about "affordable homes at an accelerated pace". Prices at Impact House in Croydon start at £293,950 for a one-bedroom flat. The average price for a flat in London is £430,685.

A spokesperson for Inspired Asset Management commented: "The issue at the moment is you have people who simply cannot afford to buy or rent apartments in places like Croydon.

"With our model they can afford to buy our homes with a £25,000 deposit and about £700 a month. That wouldn't buy you a larger, new-build apartment. "Permitted development has helped spark the regeneration process in Croydon. I don't believe the council has a firm enough hold on the commercial factors that drive house building. They're not going to deliver enough new-build housing. It won't work."

The unsung hero

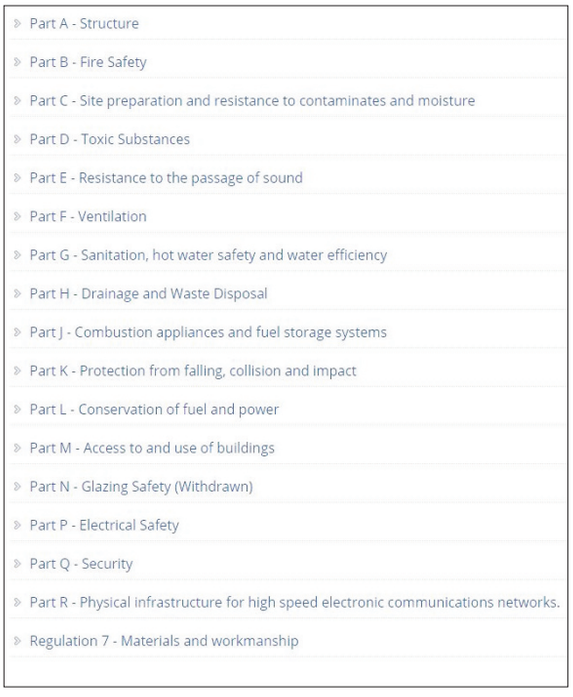
Building Regulations (BR)! That's right, who would have thought that building regulations are the superhero in this story. Whilst BR do not place requirements for particular space standards (apart from the minimum Part M) or other quality standards such as private amenity space and internal daylight levels, in most other respects, the regulations do place legal requirements on the performance of new housing. So everything from security, to electrical safety, ventilation, thermal envelope, structure, fire protection, disabled access and many other issues are dealt with; and compliance is a legal requirement. In January 2017 another new regulation is being introduced in the form of Approved Document R. This introduces a requirement for in-building physical infrastructure which enables connections to broadband networks. Hence, BR may be the tool for enforcing quality standards.

A significant part of the BR in relation to PD is contained within Approved document Part L, which covers the energy efficiency requirements of a building by limiting heat gain and losses and providing building services that are efficient, have effective controls and are properly commissioned. Additionally, it states that information is provided so that the building can be operated efficiently. Effectively, this means that any building which is converted will probably be required to enhance the thermal capacity of the external envelope and introduce more efficient heating supply with consequential improvements to ventilation due to improved airtightness.

Compliance with BR is no mean feat and is generally not a box-ticking exercise. Compliance requires demonstrating at both the design stage and construction stage, and in some cases, test-

BELOW:
Interiors of the CGL conversion of Acre House Covent Garden

The unsung hero
The Building Regulations



ing the completed building.

As an example of what is required to demonstrate compliance with just Part L, the process to meet the key criteria includes:

1. Before construction begins, a design stage calculation must be issued to the Building Control Body (BCB), setting out the carbon emission rate and the specification for the building.

2. Within five days of the completion of the construction, a report must be issued to the BCB setting out the Target Emission Rate (TER), Building Emission Rate (BER) or Dwelling Emission Rate (DER), any changes that have been made to the specification, and an energy performance certificate (EPC).

3. These calculations require that an air-permeability test is carried out to ensure that the building envelope has been constructed to a suitably high level of workmanship so that air (and so heat) will not 'leak' through the building fabric.

4 In addition, the BCB is likely to require a commissioning notice. For dwellings, the Standard Assessment Procedure (SAP) should be followed. This can be done by using a computer program approved for SAP calculations by BRE on behalf of the government.

Part L was updated on 6 April 2014, with a six per cent increase in performance standards for new dwellings. The building regulations are therefore flexible enough to be upgraded and, in the case of Part L, are likely to be used to meet zero carbon targets for all new housing.

Perhaps what PD has revealed is the overlap in planning and building regulations related to quality standards. For example, the updated Part M of the BR now includes minimum Life Time Homes Standards which are a standard requirement of planning policy in London.

The performance and safety of buildings should clearly be within the realms of building regulations as planning policy has no tools at its disposal for verification or enforcement. As such, it is not such a leap to consider the National Technical Standards becoming part of the building regulations (Part S?) as a baseline of what should be the minimum space required for a human beings to live well.

It's not all bad

In Islington, the council have been against Essential Living's conversion of Archway Tower into 118 PRS apartments. The scheme was described by the council as "sub-standard bedsits" with no outside accommodation.

The images show Archway tower – now called Vantage Point – before the conversion and after. The development is a conversion of a 17 storey, former public office building into private rental apartments – a mixture of one, two bedrooms and studio apartments. Built in 1963, the building is a typical example of an expressed in-situ concrete frame with poor quality glazed cladding and a two storey service zone at the top of the building. The tower was universally disliked and remained largely unoccupied for many years. A refurbishment to office space would have struggled to be a viable financial prospect, since the commercial rates would not have supported the investment needed to upgrade the office to minimum standards. As for substandard bedsits, the images below do show the high standard of the interiors and indeed it would be inconsistent with the developer's PRS model of providing good quality flats that are attractive for the rental market.

Converting the building is not necessarily a cheap or easy option. However, the transformation by Grid Architects is a vast improvement to the townscape and at street level.

Grid Architects description of the upgrade to the building fabric, shows how the transformation of the building provided the opportunity to re-brand the development and improve its sustainability credentials:

'The cladding was replaced as part of a detailed application to transform this over-scaled, foreboding mass. The external facades were re-clad in light, reflective material and the other facades have been re-clad in deep, perforated aluminium coffers with floor-to-ceiling glazing. The new glazing is framed in aluminium unitised cladding that contains the natural ventilation openings behind perforated panels. Working with the existing structure is also complex as a result of changing large compartment office floor plates to flats, with additional structure to pick up the loading of heavy modern cladding.

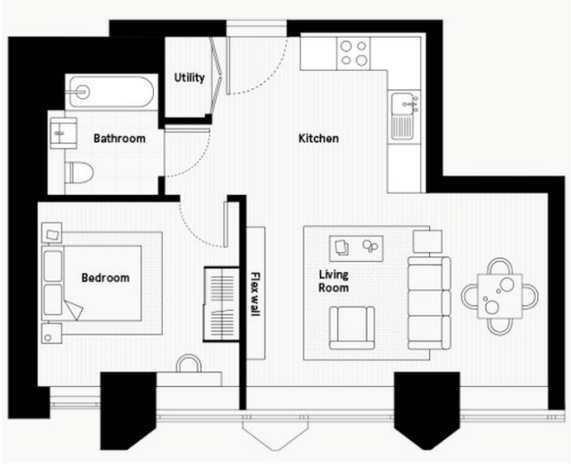
The conversion retains the existing structure and main core arrangements. The new cladding also has the advantage of allowing an upgrade to the thermal envelope which included triple glazing and super-insulation with whole house ventilation. The crowning glory is the conversion of the plant room into double height amenity space for the resident.'

It would be hard to argue that this conversion was not a positive change for Archway or suggest that it doesn't provide good quality accommodation.

In conclusion, PDR has had mixed results. It would be inter- >>>

>>> esting to see a more thorough review of the quality of housing created – small spaces do not necessarily mean poor quality, the legal requirements of building regulations mean that the housing must be safe, well ventilated and sustainable. That said, there is no getting away from the risk of developers exploiting the desperation of those seeking affordable housing.

[1] *The Impact of Permitted Development Rights for Office to Residential Conversions a London Councils briefing August 2015*

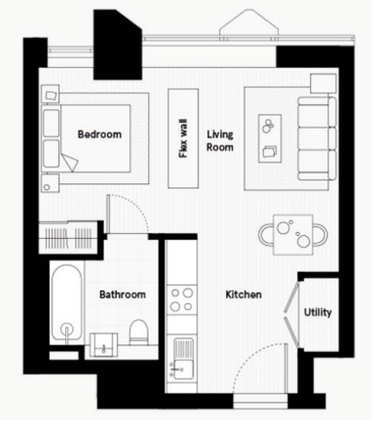


THIS PAGE:
Vantage Point Archway
Upper floor plan, 1-bed-room flat plan and interior

OPPOSITE PAGE:
Vantage Point before and after conversion from vacant offices into flats; Studio flat plan and interiors


Camden Town
Kentish Town
A400
AQUARIUS


AQUARIUS


Bedroom
Flex wall
Living Room
Bathroom
Kitchen
Utility