

# Repurposing bank branches – why heritage should come first

**Authorities are usually amenable to changes of use that strengthen consumer activities within the retail core but retaining each space’s character and historic feel is paramount says Kate Falconer Hall**

High street banks are closing in great numbers. Online banking is thriving and banking businesses are rationalising their portfolios in response to changing consumer behaviour.

As a result, former bank buildings are coming to the market more frequently, offering the opportunity for a change of use and repurposing. The number of planning applications submitted for the change of use of former high street banks has increased by 10 per cent year on year, and by 1,000 per cent overall since 2014. More than a third of these applications have been for a change of use to cafés and restaurants (Planning Use Class A3) and bars (Planning Use Class A4) (source: EGi Article, 26 June 2019).

Repurposing this sort of building is not always straightforward, but it often presents opportunities to create unique, quirky and design-led spaces that offer a new customer experience and add value to the property overall. Banks, by their very nature, are designed as inward looking, with fortress frontages that prevent full height glazing. Many former banks are listed, too: the remaining bastions of the Victorian high street which expanded throughout London in the latter part of the nineteenth century.

Even with moves to reinvigorate the high street, traditional retail uses are not often suitable for former banks given retailers’ focus on maximising the extent of their display frontages. Cafés and restaurants are usually more popular for the ground floor. Meanwhile, now that security is less of an issue,

offices and residential on upper floors can both be successful where there are cellular banking offices to convert. In fact, a mix of new uses in these spaces can work especially well, driven by the design and character of each original building.

An element of flexibility and creativity is necessary in reimagining these buildings given that many are the subject of heritage designations. Fortress frontages, for example, can provide privacy for diners as part of a restaurant use. High-end occupiers have also taken advantage of protected, lavish listed interiors to provide a specific dining or hospitality experience.

In many instances where the building is listed, the interiors will be protected and the practical constraints of construction need factoring in where safes and other security features make repurposing harder. A complete strip out to create a ‘blank canvas’ for a new interior is therefore unlikely to be achievable and can have legal and cost repercussions if this is not understood at the outset.

There are some well-known examples of where this has been done successfully though, including The Ned and The Banking Hall in the City, as well as Les 110 de Taillevant in the West End’s Cavendish Square.

Arguably this works especially well in London and other cities where there is a critical mass of the population willing to spend their disposable income in these higher end establishments.

Banks, unlike other retail premises, tend to be



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accepted more by communities as an inevitability of the changing high street landscape, arguably because branch closures have been a fixture for many years. The restaurants, work spaces, homes and community uses that repurposing such buildings can bring is part of a wider story about reinvigorating the high street through sustainable, complementary uses that can support the traditional retail core.

From a rating point of view, many of these architecturally significant buildings have proved ideal for café or pub operators rather than retailers. The change in use may well re-orientate any rating assessment from a retail-driven rateable value to one reflecting trade. This type of assessment, it could be argued, is more in tune with market demand giving more scope for predictability in operator budgets. Certainly, any listing will be helpful to landlords where the rental market is sluggish because empty listed buildings are exempt from business rates.

But while the design and construction challenges and benefits increase with this type of project, important always is the attitude of the local planning authority.

In our experience, local authorities are usually amenable to changes of use that strengthen consumer activities within the retail core. The principal high street is often designated as a primary shopping area in an attempt to prevent further high street decline and to revitalise town centre vibrancy through greater occupancy.

With heritage buildings, however, it is retaining each space’s overall character and historic feel that is paramount. Survival of significant listed interiors varies greatly with each building so there is no template for repurposing. Instead, case-by-case advice should be sought as early as possible to ensure a constructive dialogue with the local planning authority that will help successfully deliver these increasing opportunities. ■



# The appropriation of public land

The elevation of privatisation to the status of the default ideological and policy stance has been enormously damaging for Britain's economy and society both at the national level and locally argues Brett Christophers

In March 2019, investigative research carried out by reporters for the Bureau of Investigative Journalism revealed a spate of disposals of land by local authorities across the UK since 2014/15. Some of the heaviest selling had occurred in London: between them, just three North London councils – Camden, Haringey and Barnet – had raised some £684m from land and property disposals during that period.

Public land disposal in Britain is the topic of my 2018 book, *The New Enclosure*. While disposals by local authorities in the past five years have attracted public attention, the book shows that this is just the tip of a much larger iceberg. It is not only local authorities that have been selling, and it is not just in recent years. Since the end of the 1970s, bodies across the full gamut of the public sector have consistently been selling land. And they have been selling it almost exclusively to private-sector buyers. Public land has, in short, been substantially privatised.

Though this 40-year process of privatisation has until now escaped scrutiny, it has been a colossal phenomenon whichever way one chooses to look at it. If one includes land that was transferred to the private sector when the nationalized industries (such as the water authorities) were privatised, some 2m hectares, or about 10 percent of Britain by area, have been sold; if one excludes such land, the total is only marginally smaller – around 1.6m hectares, or 8 percent of Britain. By my estimates, the land that has been sold is in total worth upwards of £400bn in today's prices.

Partly the book is concerned with the question of why and how this has happened. Here, the short answer is that since the beginning of the 1980s, the UK has had governments convinced to one degree or another by the neoliberal logic that all state assets – not just land – are better off held by the private sector and allocated through market mechanisms. Those

governments have coaxed, cajoled and sometimes compelled public-sector bodies of all stripes (some of whom have been amenable, others much less so) to free up 'surplus' land and sell it off.

The book is also very much concerned with consequences. What has extensive land privatisation led to? I point to three main sets of consequences. The first is the growth of 'rentier' institutions realizing vast profits from monopolistic control of the land that has been released. The second is the growth of land banking: land that critics of 'big' government claimed that the public sector was hoarding (but for

**Across Britain as a whole only in the region of 10 per cent of land is today still in public ownership, whereas recent research suggests that in Greater London the figure rises to around 25 per cent. In London, then, the stakes are arguably highest.**

which they supplied no evidence) is now being hoarded by the private sector, not least by developers that the government had hoped would use the land to accelerate housebuilding. And thirdly, there has been widespread social dislocation. The private sector is failing to use ex-public land to provide socially-vital goods – such as genuinely affordable housing – that the public sector often did use it for when it was still in public ownership.

It has been immensely gratifying to see that thanks in part to reviews in places such as the

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*Guardian* and *Financial Times*, *The New Enclosure* has escaped the confines of academe and entered the broader political consciousness in the UK. Investigations such as that carried out by the Bureau of Investigative Journalism have put the fate of public land in the spotlight, triggering a wider discussion of the issues at stake, and my book is seemingly part of that discussion.

It has particular relevance to London. Not only is the pressure to release land for housebuilding more intense on major landholding public bodies in London (such as local authorities and Transport for London) than it is elsewhere, which is a reflection in part of the particular acuteness of the local housing crisis. But, despite decades of sales, there also remains proportionately more public land: across Britain as a whole only in the region of 10 percent of land is today still in public ownership, whereas recent research suggests that in Greater London the figure rises to around 25 percent. In London, then, the stakes are arguably highest.

The argument of *The New Enclosure* is not that public land should never be sold to the private sector. It is that the elevation of privatisation to the status of the default ideological and policy stance, which is what it has been for four decades, has been enormously damaging for Britain's economy and society both at the national level and locally.

Perhaps sometimes land can be productively privatised. But sometimes it should be retained in public ownership – or indeed returned to public ownership – and sometimes community or charity ownership would be a more progressive alternative. The deep and careful thinking necessary to figuring out what the best options are in different circumstances, and for different interest groups, remains in large part to be done. ■

*The New Enclosure: The Appropriation of Public Land in Neoliberal Britain* – Hardcover is available from Amazon

London's surplus public sector land 'can take 130,000 homes'

# New CIL regulations bring some flexibility

With the Community Infrastructure Levy Regulations 2019 coming into force on 1st September, it has been a long road to reach this point says Keith Lancaster



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Starting with the independent review into the Community Infrastructure Levy (CIL) and its relationship with planning obligations back in November 2015 a report published in February 2017 concluded the system of developer contributions was not as simple, certain or transparent as originally intended.

The Government's response, its 2017 Autumn Budget, led to consultation on reforming developer contributions for affordable housing and infrastructure (March 2018).

The consultation focussed on short term reform and formed part of the Government's multi-pronged approach to delivering more homes to enable home ownership. The consultation proposals focussed on:

- Reducing complexity and increasing certainty for all stakeholders;
- Supporting quicker development;
- Improving the market responsiveness of CIL;
- Increasing the transparency of how contributions were spent; and

## CIL Charging Schedule for Kensington and Chelsea

The Community Infrastructure Levy is a charge on new development, to fund infrastructure. It is being introduced by many councils across the country and rates vary by location and type of development. This report indicates the current status of charging in Kensington and Chelsea as of 22.06.18, and the rates proposed or adopted.



Status:

No CIL Schedule Published	
Preliminary Draft Charging Schedule	
Draft Charging Schedule	
Adopted	✓
Mayoral Charge Only	

Use	Charge per square metre
	Rate 1
All development in Zone G (Earl's Court)	-
All development in Zone H (Kensal Strategic Site)	-
Residential Zone A (C3 & short lets)	£750
Residential Zone A (extra care housing)	£510
Residential Zone B (C3 & short lets)	£590
Residential Zone B (extra care housing)	£230
Residential Zone C (C3 & short lets)	£430
Residential Zone C (extra care housing)	£300
Residential Zone D (C3 & short lets)	£270
Residential Zone D (extra care housing)	£160
Residential Zone E (C3 & short lets)	£190
Residential Zone E (extra care housing)	-
Residential Zone F (C3 & short lets)	£110
Residential Zone F (extra care housing)	-
Hotels Zone A-F	£160
Student Accommodation Zone A-F	£125
All other chargeable development	-
<b>Additional Mayoral CIL</b>	<b>Rate</b>
All Uses, except Mayoral exemptions (eg education & health)	£50

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• Introducing a new strategic tariff.

Whilst CIL established the payment of contributions for additional necessary infrastructure caused by the cumulative effects of development via a more standardised approach, contributions outside the remit of CIL have remained secured by negotiated planning obligations. The former was intended to be faster with greater certainty.

Nonetheless, despite what is committed through planning obligations is not necessarily collected, due to renegotiation or lapsed permissions, the uptake of CIL has been sporadic to say the least and has not met its originally envisaged objectives. Its application around the country has been, at best, like a patchwork quilt with some very big holes in it and its existence next to planning obligations does not always sit easily.

One major claim against both contribution mechanisms is that they have not kept pace with increases in land and house price value thereby failing to capture an adequate proportion of development value for wider public and community benefit. The flip side of this unresponsiveness is to render development unviable in struggling market conditions.

The Government's autumn 2018 response followed and hot on its heels the technical consultation on draft legislation to amend CIL (December 2018) and most recently the Government's response (June 2019).

Blinking now into the legislative light are the 2019 Regs crystallising the reforms the Government is taking forward to make developer contributions less complex and more transparent.

Much is welcome.

The improved flexibility in approach to consultation requirements for setting and revising charging schedules, clarifying the bodies to be consulted (including the Mayor for London Boroughs) and backing the changes with updated guidance.

Then there is one of the headline changes, the removal of the pooling restriction across England and Reg 123 lists. The encouragement by the Government to consult on the impacts of ceasing to charge is little more than lip-service to what should be widely welcomed having caused much uncertainty and delay for planners, lawyers, their clients and

authorities alike. Despite concerns raised during consultation over double dipping the fact is that the flexibility to be able to use both mechanisms will help address the problems encountered with the timing of CIL receipts which has caused delay to key infrastructure, the authorities unable to procure timely delivery, and has been long recognised and accepted as a problem.

The harsh application of CIL is softened, slightly, with the replacement of the loss of relief or exemption for relevant developments with a grace period for service of commencement notices and a mandatory penalty charge, of up to £2,500, unless the costs of recovery outweigh the charge.

Further softening is seen in relation to the balancing of overall CIL liability for phased development first permitted before CIL was in force in an area but then amended and to be further clarified through amended guidance.

The requirement for Infrastructure Funding Statements, eventually by the end of 2020, is also welcome.

However, certain nettles remain to be grasped. Most notably addressing the need to capture an amount which better represents infrastructure needs and the value generated through planning permissions. This was proposed via amendments to indexation but this has not been pursued because of concern about its complexity. Nonetheless, Government commitment to this issue and a new CIL Index to be produced by RICS.

The strength of planning obligations has always been their flexibility justified on a development by development basis. Over the years the stricter CIL regime has had to acknowledge some of the flexibility required for planning and developing in the real world and the 2019 Reg amendments are a further welcome reflection of this fact. ■

# Clerkenwell Close farce shows that design and planning are not indivisible

**There seems to be a fundamentalist attitude on the part of some planners that nobody can do anything unless they have given it a permission says Paul Finch**

It is official government policy that 'good design is indivisible from good planning'. This has become something of a mantra for planning barristers representing local authorities trying to veto perfectly good designs. Their line is that any of their approved planning policies equals good planning, and therefore anything that does not conform with the policy 100 per cent must be bad design. If it were good, it would conform.

This is an Alice in Wonderland world in which words mean what the person using them says they mean – a sure-fire formula for muddled thinking. Let us take one simple example: for many years, Southwark Council had a policy stating that no tall buildings should be developed around London Bridge Station. Then along came the Shard proposal, which

was in complete contravention of multiple Southwark policies, including height. Funnily enough, the 'good' planning policy turned out to be very divisible from the 'bad' design. The planning policy changed and the Shard was approved by Southwark, confirmed on appeal after a public inquiry was demanded by the heritage brigade.

The council claimed Taha's project as designed, if submitted today, would not get permission because it does not conform with planning policy

The latest example of muddle is the farce of Islington Council's bid to get Amin Taha's award-winning housing and studio scheme, off Clerkenwell Green, demolished. Last week, a level-headed appeal inspector overturned the council enforcement notice. However, the question of indivisibility arose again

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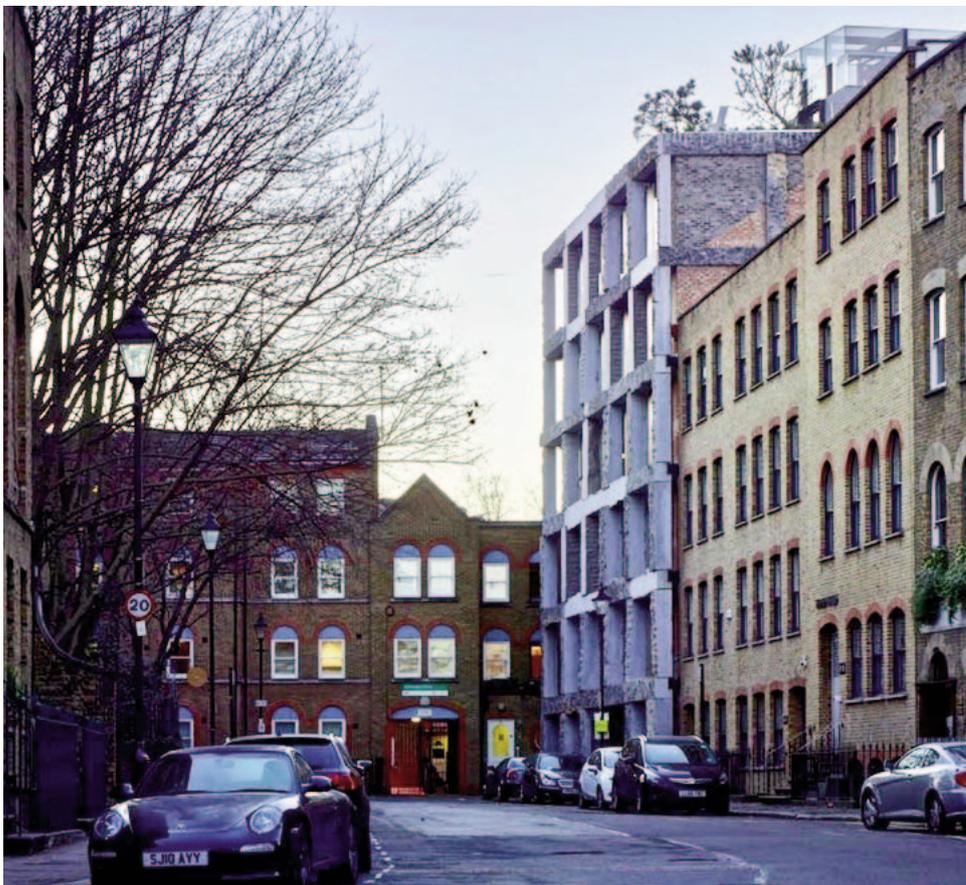
because the council claimed that the project as designed, if submitted today, would not get permission because it does not conform with planning policy.

Since the design has already won several architectural awards, it suggests that good design is extremely divisible from good planning, if the latter is what you imagine has been produced by Islington Council past and present. Some of its planning and conservation officers appear more interested in sticking rigidly to their point of view than promoting design excellence in the borough.

There seems to be a fundamentalist attitude on the part of some planners that nobody can do anything unless they have given it a permission. Actually, you can build anything you like on land you control unless there are legal reasons why you should not do so. In practice this usually (though certainly not always) means applying for planning permission for a project of any significance, but the default position is that it is for the planning authority to say why you should not get permission, not for you to prove your innocence, as it were.

That is why there are such howls of disapproval when the subject of permitted development is raised – the priests are being told they are no longer in charge of prayers. In principle, as long as they meet building and fire regs plus minimum space standards, I am in favour of PD projects. It would do everyone a favour if we could transfer matters that have nothing to do with planning (eg those useless cut-and-paste environmental impact statements) to building control. Planners could then go about the proper business of real proactive planning, instead of acting like the warden in Dad's Army, with his own special mantra: 'You can't do that!' ■

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# Planning authorities want to set their own application fees

## Should councils be allowed to set planning fees to help deal with austerity cuts? asks Andrew Rogers

At the end of August the House of Commons Housing, Communities and Local Government Committee issued its latest report: Local government finance and the 2019 Spending Review (yes, despite everything such parliamentary machinery still operates).

Buried at the end amongst the small print (and believe me, if you print it out from the parliament.uk website then the 6-point print is extremely small) of the report's conclusions is a suggestion that "in general, the level of fees is best decided locally".

### While there would be a wide range of charges, there is equally an alarmingly varied standard of service

Now this has raised the hoary old question of how planning fees are calculated, despite the fact that the report is concerned in the aforementioned small print with fees for adult social care, business rate retention, council tax revaluation, and so on. This may be because the report adds: "Central government should not dictate fees for services, such as planning, at a level that means councils are unable to recover their costs."

But since when have "services, such as planning" been required always to recover their actual costs? Originally the planning system was a public service that operated free of charge to all in the interests of good husbandry of the environment, like refuse collection, street lighting or law enforcement. And a proposal to make the costs of such services recoverable, whether in the interests of good management (austerity by another name?) or simply to provide an easy revenue stream, opens a whole other debate.

There's no doubt that planning and development services are expensive to provide – and are expected to see a 16.5 per cent increase in expenditure over

the year, up from £1 billion to £1.2 billion according to the Local Authority Revenue Expenditure and Financing: 2019-20 Budget, England, published by the Ministry of Housing Communities and Local Government. But equally, Boris and Sajid have just announced the end of austerity. And the problem, as many will testify, is that the quality and reliability of advice on offer varies enormously.

So while there would be a wide range of charges, there is equally an alarmingly varied standard of service and economic viability. If only the reality were likely to match the aspiration: would higher fees inevitably raise (or even maintain) standards? I ask myself.

For sure, the planning system varies widely across the country, both in how speedily it operates and in the quality of service. But setting fees locally will mean, as the Association of Consultant Architects has argued before, that the system must be opened to commercial competition because nobody likes a monopoly.

This would allow applications to be processed by other authorities or by registered providers while the decision will always be taken by the local planning authority. That would encourage those that perform poorly to improve, and could even create a development boom.

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Andrew Rogers chairs the ACA's Planning Action Group and is a former director of The Manser Practice

### The main concern was that payments might undermine trust in local planning processes

The government has now announced that councils will be able to raise application fees in return for better service. Does this mean that people from other areas are going to be allowed to have their planning applications processed by those councils that offer an enhanced (and more expensive) service? - we should be told.

So it all comes down to money, but that is surely not always the answer. In 2014 the government commissioned research into the possible effect of financial payments, known as Development Benefits, on planning for new housing.

The research focused particularly on whether direct financial payments to individuals who are likely to oppose house building might reduce local opposition to housing development. Perhaps unsurprisingly, it concluded that any potential benefits of financial payments would be outweighed by other, negative, effects. The main concern was that payments might undermine trust in local planning processes. The same objections apply to locally set planning fees.

The Chief Executives of Councils today are often financiers or accountants, with a background in the commercial world. They will have to consider how well their systems would cope with competition, economic pressures and monetary audits, before they go for variable planning fees. ■

# Who gets a new runway first – LHR or LGW?

Even if Heathrow and/or Gatwick get consented, we may not know whether either runway will become operational for several more years explains Angus Walker

Heathrow is looking to build a third runway, and Gatwick is considering bringing its emergency runway into full use now that the embargo on it doing so was lifted in August. Who will get there first?

Heathrow has a lot going for it – it has, or at least had, full government support, and has a huge team working away at preparing an application for a Development Consent Order (DCO).

There are some bumps in the road, however. The new prime minister is a former opponent of Heathrow expansion and may still harbour some residual opposition. A recent Parliamentary answer suggested some distance being inserted between the new and old administrations: 'The Court of Appeal has granted permission to hear from appellants in October this year. This follows the High Court's decision to dismiss all 26 grounds raised in the judicial review of the previous Secretary of State's decision to designate the Airports National Policy Statement'. The judicial review referred to is of the government's confirmation of its policy to allow a new runway at Heathrow, which is to cover such unlikely subjects as orchids.

A consultation on Heathrow's proposals concluded on 13 September, and despite containing a huge amount of documentation, reveals that a fair amount

of the assessments and proposed mitigation have yet to be undertaken. The plan is nevertheless for an application to be made next year.

The project is also very complicated, involving putting part of the M25 in a tunnel so that the new runway can run above it, and diverting five rivers. The Airports Commission in recommending Heathrow considered the economic benefits to be high but the environmental impacts also to be high. There is thus a lot to do on managing and mitigating the impacts of expansion, particularly in the areas of air quality, surface transport and aircraft noise.

Gatwick on the other hand doesn't have a National Policy Statement in support of it, but there is a general policy for airports other than Heathrow to 'make best use of their existing runways'. Gatwick's emergency runway exists, so there is therefore policy support for making best use of it. Voila!

Gatwick hasn't yet carried out the required consultation exercise so is behind in that respect, but will be able to be more agile in developing its plans as the project is a lot less complex and will only need other people's land for transport improvements. The Airports Commission concluded that the economic benefits were less than Heathrow (which Gatwick disputes but Heathrow agrees with) and the environ-

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mental impacts were also less – noise will affect considerably fewer people and air quality is at a lot less risk of exceeding European pollution thresholds, for example.

The government therefore appears, not necessarily deliberately, to have allowed both projects to proceed. Is the stage set for a battle royale? There are actually four choices: Heathrow, Gatwick, both or neither. Letting both continue if they see fit may be the best outcome for air passengers as it will effectively leave it to market forces to decide whether either airport should expand.

Market forces may not just decide whether either airport makes an application for a Development Consent Order, but even if a DCO is granted, whether it is worth building the extension. That is because a DCO will contain what are known as 'requirements', similar to planning conditions. These can limit the project in several ways:

- limits on what is built, e.g phasing of the project,
- limits on what is operated, e.g. a cap on the number of flights,
- preconditions before construction can start, e.g. ecological compensation to be provided, and
- preconditions before operation can start, e.g. noise insulation provision.

If the requirements are too onerous, it is possible that no funder will be willing to back the project because of the difficulties in getting it built and operated. In the DCO regime to date, quite a few projects have been consented but not built, for various reasons including funding. Projects have also not gone ahead because by the time they get through the planning system they are not needed any more, or not needed enough to justify building them. Thus even if Heathrow and/or Gatwick get consented, we may not know whether either runway will become operational for several more years. ■



# Lessons from a loose researcher

## Julia Park on lies, statistics and those tricky decimal points

Research is a curious and privileged occupation that can take many forms. The Oxford Dictionary defines it as, 'The systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions'. As so much research is now commissioned by private companies or individuals, they might like to add in, 'unbiased', next time the definition is reviewed.

Much of what I do falls some way short of that formal definition. I am happy to describe myself as a 'loose researcher' not least because, like many others, I rely heavily on other people's work. I am usually doing no more than reading, thinking, testing and writing. As that rarely involves the primary research, which tends to be difficult to find and often impenetrable, an element of Chinese whispers has to be accepted.

When I do come up with ideas, they're usually practical, rather than inspirational. Housing policy and standards is a strange obsession for someone who is fundamentally not keen on rules at all, but having accepted that rules are often necessary because not everyone can be trusted to do the right thing (just look at what's being produced under PDR), it's pretty important that they are sensible and remain relevant.

The devil is often in the detail, particularly when standards become regulation – a difference that is often under-appreciated. When Lifetime Homes was introduced in the early 1990s, the vast majority of new homes were houses, even in London. By the time Habinteg took over, flats had become the norm in all major cities. Persuading the standard-bearers that in apartment blocks, plumbing and drainage can't simply meander around between floorboards, and that reasonable access to a WC could be achieved with a basin alongside if the basin was pushed back a bit, was difficult.

Two years later, they accepted that effectively requiring every fitting to be on a different wall was awkward to build, and that the boxing required to conceal pipework added a large amount of unusable space to the gross area of the bathroom. It rarely looked good and I put it to them that it risked being ripped out and replaced with something easier to

live with, but almost certainly less accessible. The only beneficiary would be landfill. We haven't solved the issue in wheelchair housing but thankfully the 'three-in-a-row bathroom' is now possible at Category 2. The phrase 'by asking for a bit less, you often end up with a bit more', passed on by a wise civil servant, has stayed with me. He also happened to mention that the 800mm zone next to the WC came from a study of just 15 wheelchair users.

As a vocal proponent of space standards, the question I am most frequently asked (and the one I dread most) is, 'Why are UK homes the smallest in Europe?' This claim is always attributed to the RIBA.

**An article published in the RIBA Journal in February 2017 concluded that UK homes are now very similar in size to those in France and Germany. People hate it when I tell them any of this because 'rabbit hutch Britain' makes a much more effective strapline**

A report it published in 2010 included a table of European comparators which revealed that the average size of all UK homes was 85 sq m; the average of newly built homes, 76 sq m. Under both criteria, Denmark had the largest homes, (108 sq m and 137 sq m respectively). The table dated back to 2005.

When, in 2017, I wrote a book, *One Hundred Years of Housing Space Standards: What Now*, I included the same table, with the source and the 2005 date. I attributed it to a Cambridge professor who had published it in 2014. I didn't attempt to source the original data on the basis that if it was good enough for him, it was good enough for me.

Only it wasn't. I received an email from a reader who had tracked down the origin of the UK data for new homes. The figure of 76sq m appears to date



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back to at least 1996, possibly to 1980. He pointed out that the EHS (English Housing Survey) for 2014-15 shows that the average size of UK homes built since 2005, is 87 sq m. An article published in the RIBA Journal in February 2017 concluded that UK homes are now very similar in size to those in France and Germany. People hate it when I tell them any of this because 'rabbit hutch Britain' makes a much more effective strapline.

Since then, I've become more suspicious about statistics. A blog in Construction Buzz a few months ago caught my eye. Looking at the potential demand for 'upward extensions', it reported that developers have identified that 180,000 rooftop homes could be created in London with 'potential to house 720,000 people'. Four people per extension seemed a bit ambitious but that wasn't the most surprising figure. The research also looked at the number of people per square metre in major UK cities. The results were astonishing: Brighton and Hove has the highest concentration at 10 people per square metre. Leeds has eight, London seven, Portsmouth, Manchester, Newcastle and Nottingham, six.

Could this really be true? Might they have added in all the upper floor space to the base area of each city? That seemed unlikely. Is it something for Radio 4's *More or Less*? I decided to call the company named in the blog to find out more. The chap at the end of the phone asked how he could help. Referring to the research I asked how 10 people could physically fit into a square metre. Even three would be a squeeze, wouldn't it? How does anyone move around? There must be some empty squares. Does that mean others have 20 people in them? He agreed it sounded a lot, but couldn't help directly because his company sells building products (insula- >>>

# Over-regulation of rental housing

**The tax treatment, obligations to pay in kind (providing affordable housing) and regulation of landlords, cannot be allowed to demotivate institutions from providing rental housing says Brian Dowling**

Part of the charm of living in a city whilst working for the property industry is that you appreciate that, although technology and comforts evolve, and building styles change, people's own needs and motivations don't really change as much. You can walk down a street containing Victorian, 1930's, post-war, and new-build housing and realise that with every building and scheme, it is located there because at the time it was built, the person building it had the opportunity and motivation to do so, and there was a demand for what they were proposing to do. You can trace where, as governments changed, policy and regulation enabled or prevented particular designs and schemes going ahead. A property lawyer can then look at the title documents and leases and perceive that, although the wording hopefully gets more modern as time goes on, the fundamental concerns of people trying to improve and share out physical space remain the same.

You can see the big purpose built mansion blocks in central and inner London and hear that these were built for rental by institutions such as insurance companies, from the 1900s onwards. You then hear that these institutions steadily vacated the private rented sector from the 1960's onward, mainly

because of rent control. So, we hear, there was a demand for private rented housing, provided efficiently by institutions on a long term basis, but government intervention (apparently) took away the motivation and opportunity to meet that demand. This triggered a mass selloff of such housing, with the rise of private leasehold flats as a result. We are all reminded of this whenever politicians or tenants call for rent control or residential tenancy reform.

There is a great book on this called *Cities Housing and Profits* by Chris Hamnett and Bill Randolph (Routledge, 1988). This book looked at that 'break up' of the private rented portfolios in London and challenged the received wisdom that the sole cause of this trend was the introduction of rent controls in the UK.

The authors pointed out that the real motivation behind the trend was actually that the rise in owner occupation, enabled by easy access to mortgage finance from banks and building societies, created a value gap between landlords' decisions to hold residential property and rent it out at a capped rate, or sell it to people who wanted to move in. The motivation or incentive wasn't there to build and hold private rented property, it was to sell off such property

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and build housing for sale.

So, does an ancient text reveal that rent control is actually fine? In my opinion, not quite. The point that the book reveals, and that a ramble around London (apologies) supports is that people only buy and build this stuff if it is worthwhile. If as a society we rely on the private sector to build housing, and an army of private individuals to buy such property and let it out, then the tax and regulation of that sector cannot discourage what we (the public) want or need them to do.

If we want to supplant the private sector, and provide more public funded housing, that is a democratic choice. It will take time but we have provided council and public housing before.

However, it seems risky to hope that the individuals comprising the private sector will continue to provide five million households with a roof, if rents are centrally set, at a low level, that caps are restricted, and that it will be harder to move tenants out if your circumstances as a landlord change. These reforms are all proposed by the Mayor of London.

If it doesn't get harder for owner occupiers to buy a house, then landlords will sell to the people able to afford to buy. Those who cannot buy or do not want to would still need a home, and that would need to be provided either by the public sector, or perhaps by a resurgence of the institutions.

But as discussed, the conditions need to be there to motivate them to do that. The tax treatment, obligations to pay in kind by providing affordable housing, and the regulation of landlords, cannot be allowed to add up to demotivate the institutions from providing this housing. If it is simpler for them to invest elsewhere, they will have to do so, and as previous experience shows this will have lasting impacts on what space is made available to society in future. ■

check everything, try to trace back to primary sources when the data is central to your work or your conclusions. When you're carrying out any kind of research (even the loose type) get someone else to read it. Whether it's your own work or someone else's, stand back and ask yourself whether something at least feels plausible. Save your calculations and if a number feels seriously wrong, start by checking the decimal point; it could save a lot of time and trouble.

How much space do Brighton and Hove-ians really have? 109sq m each (assuming my maths is correct...).

Incidentally, the ONS data behind this work is fascinating. Next time you feel like a loose researcher, you might like to take a look. ■

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>>> tion mainly...). Did he know where the numbers had come from? Keen to please, he took my details and said he would ask the independent research company to get in touch.

I heard from them the next day. The data sources looked sound. The population figures came from the ONS, the area of the cities from another reputable website. The methodology was straightforward too: the number of people living in each city was simply divided by the area of the city in square metres. It all seemed to work – our cities really do seem to heaving. At the end of the day it was still niggling away. I went back through the data. The city areas were originally in square kilometres. Instead of multiplying by 1,000,000 to convert to square metres, someone had multiplied by 1,000. Feeling vindicated (and sympathetic), I let the researchers know.

The moral of all this? Use reliable sources and always attribute the data you use. While you can't

# Call for an objective look at PD housing conversions

Permitted Development Rights for office-to-resi conversions have failed says Julia Park

If someone had told me five years ago that people would be soon be living in car parks in tiny, sometime windowless, homes, I wouldn't have believed them. I'm sure most people would have reacted in the same way, including the politicians who brought in the policy that allows this to become a reality.

I'm talking, of course, about the permitted development rights (PDR) that allow offices to be converted to housing without requiring planning permission. Introduced in 2013, for a three-year trial period, this form of PDR (Class O) has been a permanent fixture since May 2016.

Designed to boost housing delivery after the global crash, it was another arrow in the government's quiver aimed at increasing output through deregulation. It wasn't entirely misguided and I was sincere when I said that the sort of homes we are now seeing was not what Ministers intended. But given the dysfunctional nature of our housing market, it was at best naïve to assume that, free from the shackles of planning policy and standards, all developers would behave well. Some have, but many others have exploited the loophole they were given and cut as many corners as they can, largely in pursuit of profit, and often at the expense of those with the least housing choice.

The government's own estimate of the number of Prior Approvals that could be expected each year was also wildly off the mark. Instead of the 140 per year they predicted, 6,500 PDR schemes were notified in 2014 alone.

There is still nothing intrinsically wrong about converting offices to housing but there are, or should be, some basic caveats:

- The location should be suitable and accessible



- The housing should provide the basic attributes that we value and expect
- The communal spaces and the public realm should be safe and well-managed
- The development should include, or provide funding for, some affordable housing
- The end result should be environmentally sustainable and extend the useful life of the building by at least 60 years
- The office space should be genuinely redundant
- The community should be involved in the process.

It all sounds reasonable but very few PDR schemes fulfil even half of these objectives. As architects, we are particularly concerned about the quality of the housing. It's proved very difficult to assess the adequacy of the living conditions because so little information is required for a Prior Approval notification. This is alarming but not surprising – the whole point of PDR is to reduce the number of factors over which planning authorities have control, to a handful.

The premise, I assume, is that the buildings already exist and would have been subject to planning scrutiny at some point in the past. The mistake is to assume they will make good housing in the future. Some PDR conversions should never have taken place at all; Newbury House in Ilford, Terminus House in Harlow, and Wellstones in Watford, are all in locations that are fundamentally unsuited to residential use. Remember the promise in the Housing White Paper – 'the right homes in the right places'? Under PDR, neither location nor dwelling type is a material consideration.

In truth, very few office buildings will good housing in anything like their current form – and that's not surprising; we wouldn't design an office in the same way that we would design housing. That's not to say that these conversions are doomed to fail; it's simply stating that considerable internal and external modifications are usually needed for the change of use to succeed.

Between the planning system and Building Control, we already have the means to safeguard a range of essential housing attributes. Where these national and local standards apply, they are largely effective in ensuring that new homes are reasonably safe, secure, spacious, light, accessible, sound-

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proof, ventilated and thermally comfortable. Planning also considers location and context, and typically requires outdoor amenity space and an appropriate mix of dwelling types and tenures.

The current system is far from perfect; standards for internal space and daylight should be taken into regulation and many parts of the existing regs need to be improved and extended to cover conversions. Approved Documents should be shorter, clearer and more effective. And while some planning documents, and some planning officers, are over-zealous, others are too slack.

It can be frustrating for everyone – not least the committed clients, talented designers and builders who pride themselves on the quality of their work and are perfectly able to produce great housing without rules. But those who call for liberalisation should be careful what they wish for. PDR has exposed just how low some developers are prepared to stoop. When you catch yourself thinking that homes of 20 sq m look 'quite big' and two windows is 'generous', it's a sign that something has been allowed to go badly wrong.

Annoying and imperfect though it may be; it has never been clearer that development control has an essential role to play in safeguarding the quality of the built environment. While those who take a responsible approach have nothing to fear from sensible standards, those who are minded to cut corners must be held to account, particularly when health and wellbeing are at stake.

That's why we want the government to look objectively at the consequences of this policy.

**Please sign our petition:**

<https://petition.parliament.uk/petitions/267559>

**SEE: Farrell's Peter Barbalov calls for a new PDR+**