Nick Boles Plans Office Conversion To Homes

Empty offices could be converted without planning permission, under new Government plans to address the housing shortage.

The City of London has secured an exemption from the changes

Empty office blocks could be converted to flats without planning permission under new Government plans to increase the housing supply.

Planning minister Nick Boles is due to unveil proposals this week which will allow developers to bypass expensive and time-consuming procedures.

The change is believed to be aimed at addressing the shortage in housing stock created by a slowdown in construction.

A lack of affordable housing and the squeeze on bank lending since the financial crisis has pushed up the average age of first time buyers to 33, according to experts.

Ministers believe there is scope to plug the gap with unoccupied offices, left empty because of over-supply and smaller workforces, according to the Financial Times.

Mr Boles' proposals - called "permitted development rights" - will exclude shops and warehouses and the City of London has also been promised an exemption.

There were fears that landmark buildings in the capital could be converted into flats and that it would be very difficult to reverse the changes when the financial sector revives.

Other cities will be able to make the case for an exemption.

Nick Candy warns the changes could create too much residential property

Cities of Westminster and London MP Mark Field said: "We've just had a once-in-a-lifetime financial crisis so it's hard to judge what the demand will be for office space in the coming years.

"I've made representations on behalf of the Square Mile for an exemption so I am delighted by this sensible move."

Property developer Nick Candy, who built the world's most expensive apartment block One Hyde Park, also warned against going too far in the other direction.

There is a "real risk for central London that there could be an oversupply of residential property and a shortage of well-located office space," he said.

"In a way, that is good; it created opportunities in the market when there is suddenly not enough offices to go round.

"But it is much harder to convert housing back to offices as you need to control all of the individual apartments, so you could get a real squeeze in supply."

The move could also spark fears that major cities will see a boom in luxury central developments, which will do little to ease the need for more affordable homes.

It is the latest plan by Mr Boles, a close ally of David Cameron, who has warned of a return to the 19th century when owning property was the preserve of the rich.

Last week, he said grandparents will spend their retirement "propping up" their children and grandchildren unless they support new developments.

And last year, he suggested that 1,500 square miles of open countryside needs to be built on to solve the housing crisis.

Of his latest plan, Alex Ground, a planning lawyer at Russell-Cooke, said: "This will be of considerable benefit to both landowners and those trying to get on the housing ladder.

"It will unlock value in many empty or underused office sites and provide much needed homes.

"The change will be particularly attractive to the less-experienced landowner/investor who until recently may have shied away from trying to change the use as they were put off by a sometimes relatively complicated and costly planning application process."