

# The Times

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## Office to residential – planning revolution or ruin?



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been described as  
#abominable

Modern business and lifestyles have evolved and the built environment needs to be allowed to change to keep pace.

Boris Johnson has waded into the increasingly controversial debate over the permitted development (PD) rights that enable developers to change the use of a property from office to residential without permission.

London's mayor has urged the government not to lift current restrictions that exempt key business districts in the capital (and a few others across the country) — a decision the government is currently mulling over in a consultation process.

Despite this controversy and some loud protests from some camps, the government, as part of the same consultation process, is looking at extending these rights indefinitely (currently they are subject to the requirement that any new residential unit must be in use by May 30, 2016).

The “office to resi” rules were originally introduced in May 2013 to help make up the urgent shortfall of housing. Of course the recession also meant that many offices were standing empty. As the economy picks up it is natural that there are worries among businesses, especially growing SMEs, that a change in permitted developments rights may see the pool of affordable offices shrink.

Such worries are not unfounded but there are safeguards in place to ensure properties aren't being converted haphazardly.

For one, if the rights are extended indefinitely, the proposal is that local planning authorities will be able to refuse the prior approval application if the proposal is likely to result in significant loss of the most strategically important office accommodation.

Secondly, local planning authorities will be free to make what are known as Article 4 Directions, which can remove these permitted development rights from certain tightly defined areas and which are already being used by some boroughs that did not get exemption status under the current rules.

We are also still in the midst of the housing crisis — just last month business groups CBI and the British Chamber of Commerce urged the government to make up the shortfall, which was described as “chronic”, by building 240,000 new homes a year. Many councils and local residents would much prefer this need to be met with properties already built and standing empty rather than the construction of new housing developments.

These conversions also look very appealing for landowners and will continue to do so until the value of office and residential property evens out.

Although we have statistics purporting to support the fact that “office to resi” change has caused a loss of key business space (the Local Government Association revealed four in ten local planning heads said the changes have reduced available office space), we are still waiting on statistics that give a clear idea of how many of these conversions actually happen — we know how many developments are granted prior approval but the percentage of these which are actually converted into homes is unknown.

Ultimately, modern business and lifestyles have evolved and it is important that the built environment is allowed to change to keep pace. The tools are already in place (or proposed to be as under the consultation) that should provide sufficient protection to offices in key locations; another layer of new protection seems unnecessary.

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