

Chartered Institute of Housing response to the consultation on additional flexibilities to support housing delivery.

Chartered Institute of Housing (CIH) welcomes the opportunity to respond to this consultation. We would be happy to discuss any details of our response and be involved in work going forward on this topic.

General introductory comment

Decent and affordable homes make our lives better – improving our health and wellbeing and providing the safe and secure foundation we all need. But shortages and unequal access to housing mean that too many people are forced to live in overpriced, insecure and poor-quality homes. There is an acute need for more affordable housing, and this is disproportionately impacting low-income households. The chronic undersupply of genuinely affordable, settled housing is a key driver of homelessness with more and more households in temporary accommodation for an increasing length of time.

However, tackling undersupply is about more than numbers of units. We need to ensure we deliver homes that are fit for purpose for the existing and future needs of the population, well connected to facilities and services that contribute to thriving places, and that meet wider climate change challenges. The homes which have been created through the current Permitted Development Rights (PDR) system have too often been a far cry from homes we should be creating – for now or the future. Instead, without the necessary safeguards to support sustainable development and ensure the health and well-being of residents, the reality has been [poor examples](#) (as highlighted by [the government's own commissioned research](#)) of ‘homes’ which negatively impact on residents health and well-being. The existing standards for conversions via the permitted development route are not sufficient (even with the inclusions of natural light and minimum space standards in 2020) to deliver the quality homes needed to prevent and end homelessness.

At CIH we believe that converting redundant buildings for housing could be an important part of the solution to the housing emergency. But we must ensure that these conversions are contributing high-quality homes, well-

connected to local places, facilities and services, that support people's health, wellbeing and engagement in communities in the long-term. The standards and safeguards must be in place and strengthened if PDR conversions are to play a role in delivery the homes we need.

Summary of CIH's position

- There is a pressing need for more homes that are decent, safe, accessible and affordable.
- The rising level of homelessness and evidence of the impact of the cost-of-living crisis reinforces the need for more truly affordable homes for social rent.
- With increasing costs of materials and labour, CIH calls for greater investment in affordable housing and higher grant levels to deliver this provision.
- CIH supports the conversion of buildings to homes where this is done to the right standard and in the right location.
- PDR *may* be one route to help deliver homes at scale and speed, if local authorities can exercise more control over the quality, tenure and size mix and location as part of a plan-led approach.
- There are some basic requirements that *all* homes should meet, including those provided through conversions. TCPA's [Healthy Homes](#) principles provide a starting point for this.
- We agree with the recommendations of the [joint inquiry into rethinking commercial to residential conversions](#) that three key areas must be addressed if PDR conversions are to play a role in addressing the housing emergency. These are that:
 - PDR standards need to be strengthened to ensure developments are of high quality,
 - local authorities need to be able to give greater direction over where conversions take place,
 - conversions should be required to contribute to affordable housing and social infrastructure.
- Without these three areas being adequately addressed, PDR conversions risk adding to the housing emergency; creating more poor-quality accommodation with disproportionate impact on those in greatest housing need and with the least housing choice. **Therefore, CIH do not agree with the further expansion of PDR flexibilities until the safeguards and standards framework has been fully addressed and strengthened.**

Design codes (Qs. 1 and 2)

In line with the recommendations in the [Joint APPG final report](#), design codes and better use of Local Development Orders could both play a role in providing greater certainty to developers and allowing local authorities to set out a clearer direction in what they want to see in conversions. This will require a corresponding increase in resources for local planning departments, particularly given considerable reductions in funding over recent years. [Research by the RTPi in 2022](#) highlighted that local authority planning teams face significant funding, recruitment, skills and performance challenges and demonstrated that local authority net expenditure on planning has fallen by over 40 per cent from 2009/2010 to 2020/2021.

Design codes are a useful tool for local authorities, but it is important to note their limitation in this context also. Design codes address issues such as height, form, density, so are not the tool to ensure necessary safeguards to support sustainable development and the health and wellbeing of residents. **The consultation does not propose any measures to strengthen the standards which should be the first action before considering further expansion of the scope and scale of PDR.** The only tool local authorities can currently use to limit PDR conversions in inappropriate locations or of an inappropriate nature is an Article 4 direction. Over recent years the government has sought to significantly limit the use of these. Article 4 directions are time consuming to implement and, as we have already noted, many local authorities are under significant strain so their implementation is likely to be sporadic. Article 4 directions are not a strong enough tool in this context.

Supporting housing delivery through change of use permitted development rights (Qs. 3 to 42)

Extending or removing the scale test

We do not consider that the rights should be extended in terms of expansions to floorspace at this time. As noted in the [report from the joint inquiry into rethinking](#)

[commercial to residential conversions](#) there are three areas which need to be addressed in the current PDR regime::

- The standards need to be strengthened to ensure developments are of high quality,
- Local authorities need to be able to give greater direction over where conversions take place, and
- Conversions should be required to contribute to affordable housing.

Whilst it is acknowledged that it is the government's intention that the Infrastructure Levy will require contributions to be made on PDR redevelopment, this is not currently the situation under the Section 106 regime. The two areas highlighted remain unaddressed. It would be remiss of government to press ahead with extending the amount of floorspace which can be converted without addressing these areas. Proposals to expand or even remove the threshold of the scale-test for PDR conversions risk creating more poor-quality residential environments amplifying yet further the negative health and wellbeing impacts we have seen. Extending or removing the scale test will further undermine developer contributions towards affordable housing, local amenities and infrastructure.

There is no consideration in the consultation about the implications for increased PDR conversion in relation to large buildings which may be in unsuitable locations for residential use, such as next to major roads and out-of-town industrial estates. Conversions have often occurred in entirely unsuitable locations and there is nothing to prevent this. For example, conversions such as [Connect House](#) in Mitcham, London, have taken place on active industrial estates that are not within walking distance of schools or shops and that even lack pavements or safe places for children to play. This further expansion or removal of the threshold takes more power away from local authorities to "plan" for housing need in the right location as PDR side-steps the local plan process.

Removing the vacancy requirements

It is undeniable that our high streets are changing, however a three-month vacancy test is already a short period for securing alternative commercial tenants. To remove the vacancy test altogether gives no time at all. With our high streets already in a precarious situation we arguably need more planning, support, and innovative solutions for them, rather than further deregulation in this manner. In 2021, when the last round of PDR expansions were being introduced, leaders from across the property, retail, leisure, hospitality and planning sectors composed a [joint letter](#) to housing secretary Robert Jenrick MP, stating:

'Putting ground-floor housing in a random and uncontrolled manner on high streets does not draw footfall, does not support new businesses, reduces the potential for business growth and will undermine the viability of existing retail, cultural and commercial activities on the high street and remove convenience stores from local neighbourhoods...This will create a vicious circle whereby the reduced viability of the remaining commercial uses in turn threatens their existence and incentivises their conversion to residential.' This position remains.

Article 23 land, protected areas, rural areas and agricultural buildings.

There is a pressing need for more affordable housing in rural areas. However, local authorities are best placed to *plan* for the housing their communities need in appropriate locations. The PDR process sidesteps this process entirely. We must question what the impact of these proposals could be on communities in such locations. Retail units are often vital community assets in rural locations and whilst many are struggling in the current depressed markets these proposed moves, rather than supporting them, could see village centres and community hearts changed irrevocably.

These proposals risk increasing unplanned housing development which may be in unsustainable locations, isolated from the necessary services and facilities needed for sustainable living. Without requirements to ensure that these homes are genuinely affordable these conversions are unlikely to address the most acute need in rural and protected locations or the [rising levels of rural homelessness](#). [Instead they](#) risk merely creating more short term lets which do nothing to address real need.

The expansion of PDR to hotels, boarding houses or guest houses

Without further enhancement of the standards we do not support the change of use of hotels, boarding houses and guest houses to dwelling houses. The existing standards are not sufficient to deliver the high-quality homes needed and as a minimum a set of mandatory standards should be introduced. As things currently stand the conversion of hotels, boarding houses and guest houses presents factors which would be better managed through the current planning application process, including inclusivity and adaptability issues and the ability to meet minimum space standards. This area also requires further consideration in terms of

the types and tenures of homes which are likely to be created through these conversions. To promote mixed tenure communities, conversions should provide good quality, permanent homes, avoid physical segregation and ensure that the different tenures are indistinguishable in terms of design and appearance. [UCL analysis for government in 2020](#) highlighted the preponderance of bedsit and one bedroomed accommodation provided (nearly 70 per cent of the case studies). This, alongside the issue of suitable location, limits the opportunity to encourage mixed communities and the suitability for larger households, particularly households with children. In July 2022, the government committed to raising the accessibility standards in all new homes, requiring new builds to meet higher 'accessible and adaptable' standards (Building Regulations Part M4 category 2). Although there may be some exceptions, these should be as tightly limited as possible, and if conversions are to make a real contribution to housing need in the long term, accessibility should also be reflected in the provision through this route.

Impacts of proposed changes on communities

As the regime currently stands there are insufficient safeguards and standards in place to ensure the quality of homes being created through the PDR route will not have a negative impact on communities. Many important issues cannot be considered adequately, if at all, through the prior approval process, including health and wellbeing, design, location, and carbon emissions.

The [UCL Research](#) funded by the Ministry of Housing, Communities & Local Government in 2020, found that such conversions create 'worse-quality residential environments'. Similarly, Nick Raynsford's [2018 review of planning](#) concluded that government PDR policy '*has led directly to the creation of slum housing*'. It went on to say: '*Such slums will require immense public investment, either to refurbish them to a proper standard or to demolish them. Morally, economically and environmentally it is a failed policy.*' Since the publication of this research, the government has brought forward legislation to ensure that conversions using PDRs must meet the nationally described space standards and provide for adequate natural light. CIH welcomes these moves, but we must be clear that these are basic minimums, not standards for quality.

Investigations by the [Guardian](#) and others have highlighted how the substandard accommodation created through PDRs do not meet the specialist needs of some

of the people who live in them. The continuing push to expand PDRs without addressing the safeguards and standards needed runs the risk of more people being forced to live in inadequate and inappropriate housing. We must also consider how disabled and older residents might live well in these conversions. The [Housing Made for Everyone coalition](#), of which CIH is a founding member, is calling for all new homes to be built to higher accessibility standards as a default.

It is also worth noting that conversions have often occurred in entirely unsuitable locations, completely inappropriate for people without access to cars, and isolated from local shops, services, and transport links. As it stands there is nothing to prevent this. Despite unsuitable locations, such schemes have often housed households experiencing homelessness, either as privately rented housing, funded through exempt Housing Benefit, or as statutory temporary accommodation. As a minimum in line with the recommendations from [joint inquiry from the APPG for Ending Homelessness and the APPG on Housing Market and Housing Delivery](#), planning practice guidance for Article 4 directions should be amended to make it clear that it could be used to preclude developments in out-of-town business parks rather than just economic hubs. This would mitigate the risk of PDR conversions in areas not considered suitable by reason of their location and isolation from key amenities.

Because PDR conversions are excluded from the section 106 process (as discussed in more detail below) further expansions of PDR will be felt by existing communities as more homes will be created without the necessary social infrastructure to support them (schools, doctors, green spaces and so on). Therefore, existing services will be stretched further which will negatively impact existing communities.

Impact of proposed changes on local authorities

Under the current regime conversions using PDRs prevent local authorities from ensuring contributions to necessary social and physical infrastructure, as the section 106 agreements that would otherwise be made through a planning application are sidestepped. Such agreements play a vital role in ensuring that the impact of having more homes in an area is appropriately mitigated, and that supporting infrastructure such as green space, community and healthcare facilities, roads and public transport is in place. A 2018 RICS study of the [impacts of extended PDRs](#) across five local authorities estimated that those local authorities lost a combined total of £10.8m in section 106 funds over a four-year

period as a result of the rights being exercised. These local authorities lost a further £4.1m in reduced application fees. The study's authors described office-to-residential permitted development as a 'fiscal giveaway from the state to private-sector real-estate interests'. There is a significant risk that ongoing extensions to the use of PDRs will result in many homes being created in areas without the necessary infrastructure and facilities to support them. In addition, PDRs do not enable local authorities to ensure adequate contributions are made towards much-needed low-cost housing. Section 106 is currently a major mechanism for such provision, particularly homes for rent. In 2018, [Shelter](#) estimated that urban authorities had missed out on more than 10,000 affordable homes between 2015/16 and 2017/18 alone because local authorities cannot enter into section 106 agreements with developers and require a supply of any on-site or off site affordable housing contributions under the PDR system.

In addition, further expansion of PDR will inhibit local authorities' ability to 'plan' for the types of homes needed in the right location as the local plan process is entirely sidestepped. Before any expansion of PDR is considered mechanisms are needed to enable stronger direction from local authorities in terms of identifying suitable empty buildings and locations for conversions (to ensure they are developed as part of a holistic approach to placemaking and limiting location where they are not). Whilst PDR applies nationally, there are further measures that could and should be taken to promote greater local authority input than is currently the case, and this must be addressed before any further expansion of the rights allowed.

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is to provide housing professionals and their organisations with the advice, support, and knowledge they need. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org.

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