

**Permitted Development Rights  
Evidence from LSE London****Friday 30<sup>th</sup> April 2021****1. What role should permitted development rights (PDR) play in the planning system?**

Clearly there is a role for PDR within the planning system, but this should not be for significant development that requires oversight and has the potential of significantly impacting on people's health and their quality of life. Allowing householders to make small alterations to their properties without the need for planning permission is sensible as it frees up officer time and makes for a quicker and smoother service. However, strategic decisions that impact on the balance of uses in a city including housing commercial and employment should be left up to the planning authority and local community to decide within the boundaries of a local plan.

More detail regarding this point is provided in Question 5.

**2. What is the impact of PDR on the quality and quantity of new housing, including affordable and social housing?**

To the extent that PDR involves the transfer of commercial property to housing there are obvious issues about the capacity to ensure high quality housing. First, and perhaps most important commercial property is built to last a much shorter period than housing and is based on entirely different building and safety regulations. It is therefore costly to make the transposition. There are also strong incentives to minimise costs – and, as has been evidenced by Clifford et al space standards are sometimes inadequate. Windows are a particular problem and simply requiring ventilation and light is not the answer. The fact that many PDR properties end up as temporary accommodation reflects their relatively low standards.

This is not to say that most PDR units are of poor quality - many can achieve reasonable standards and a good rate of return – but this significantly depends upon location. There are clear instances where the surroundings are inappropriate for housing including high levels of air pollution as well as lack of green space.

At the other extreme – eg turning a barn into a detached dwelling – PDR may provide high quality housing in a desirable location. More generally there is a case for adding lower quality cheaper housing to the housing stock – but minimum health and safety standards in particular must be in place.

With respect to the quantity of new housing to our knowledge there is no published evidence on whether some PDR units substitutes for traditional new building. It would be surprising if it was wholly additional especially in lower demand/lower income areas.

In terms of affordable housing the loss of affordable housing has been measured at about 11,000 units over the period 2015 – 2020, assuming a 20% requirement. If some more traditional new build has not been built because of PDR the numbers lost would clearly be greater.

### **3. What is the impact of PDR on local planning authorities, developer contributions and the provision of infrastructure and services?**

Under the current planning system, the quantum of development is a factor considered within planning permission. This allows planners to predict the likely impact of the development on things like school places and transport capacity. In so doing, allowances and adjustments can be made so as not to overburden or damage local infrastructure and where necessary to seek developer contributions to mitigate negative externalities. Developer contributions can also be made to improve the development through the provision of new or improved greenspace or biodiversity enhancements.

Conversely, PDR introduces considerable uncertainty into the system by making it impossible to plan for the impact of the new housing units or in some cases to even know the exact number of dwelling units to be produced (as noted by some planning officers there were often multiple applications for Prior Approval with varying numbers of proposed units and little assurance of the exact number of units built). It also eliminates S106 contributions and may also eliminate CIL depending on local planning policy. This means that any development enhancement or mitigation of negative externalities will have to be borne by the State or not at all.

Given the government's desire to create sustainable and attractive communities, it feels counterintuitive to pursue a development regime that is likely to produce the opposite.

### **4. Is the government's approach to PDR consistent with its vision in the Planning White Paper?**

We would argue that it is not consistent with the government's vision in the Planning White Paper. This is based on putting the emphasis on the local plan stage rather than at the point of individual planning permission. New build is expected to comply with the rules specified for each of the three zones. PDR as currently proposed should therefore be unnecessary.

### **5. What is the impact of PDR on the ability of local authorities to plan development and shape their local communities?**

PDR for more strategic development presents several problems that negatively impact on the health and vitality of cities and on many occasions on the well-being of the individuals unlucky enough to have to live in the housing created through this more permissive system.

As we have seen from previous rounds of PDR, local authorities have lost a great deal of office and light industrial space, often to the detriment of local economies. The original proposals came in with a nod toward redundant space but, as noted in our roundtable, the office space lost in London was more than half (55%) in use

when converted. This has long lasting impacts. Units (especially large ones) that have been carved up into housing and sold off individually are unlikely to re-enter the supply chain as anything other than housing resulting in significant loss of viable office space notably for smaller organisations.

It is not just office space but also small businesses providing local services -eg gyms and catering that may lose their accommodation. These problems will be particularly associated with the transfer of larger buildings in and around city centres where services are necessary to revitalise these areas after the pandemic.

In contrast to the assertions made by the government, the evidence shows the numbers of poor-quality homes delivered were far more than “a few”. It is important to understand that these small, poorly appointed, and sometimes dangerous properties are then visited upon the most vulnerable – sometimes in the form of temporary accommodation. This is unacceptable.

It also should be considered that office buildings are generally built to last for a much shorter lifetime than houses. The iconic Lloyds building for instance was expected to need complete refurbishment after 15 - 20 years.

PDR is also highly inconsistent with the Government’s laudable aspirations to “build better homes where people want to live”. It is far more likely to produce additional homes where people must live as they have very few options. Reducing the price of poor-quality homes by adding to their number should not be any government’s objective especially given the many concerns that are part of current debate on quality. Moreover, it is generally accepted not least by government that standards must rise in the light of experience during COVID-19 and the Grenfell disaster.

It is also worth noting that PDR is inconsistent with the Government’s stated policy of rejuvenating high streets as it incentivises businesses to convert properties to housing rather than to maintain and improve the high street. These conversions also mean that local authorities, who have already lost significant parts of their budgets due to austerity will also lose where commercial rates are higher than residential. In particular, it makes it much more difficult to realise positive locational externalities which are the core element of building high streets and communities.

Overall, PDR significantly hampers the ability of local planners to take a positive approach to planning their communities.

## **6. Is the government right to argue that PDR supports business and economic growth?**

It is clearly the intention of the government to support business and economic growth. However, our answer to question 5 makes it clear that there are circumstances where PDR will harm rather support businesses. Particularly in high demand areas it will reduce the availability of accommodation for start-up businesses and may cause existing businesses to go out of business because they are forced to move. While PDR is often seen as applying only to vacant units the reality has been very different.

What is clear is that it will increase the value of many commercial properties that have the potential to be transferred into residential. This will provide windfall gains to the owners of these properties.

## **7. What is the impact of PDR on the involvement of local communities in the planning process?**

PDR removes local communities from the planning process by eliminating their right to comment on development occurring in their neighbourhoods. It is also likely to render void large parts of their neighbourhood plans, should they have created one and makes future neighbourhood plans seem unworthy of the effort that it takes to prepare them.

In short, PDR is a blow to local democracy and risks alienating residents, making them less involved in their communities.

## **8. Should the government reform PDR? If so, how?**

There is clearly a case for reforming PDR but not to the point where it limits the capacity of local authorities to implement place making policies or indeed reduces the benefits which it is hoped to achieve through government grants to support the high street.

Two important reforms within the current framework would be to limit PDR to vacant property – this could be done by allowing existing occupants to appeal to the local authority against the use of PDR and to increase required standards both with respect to access to light and air and with respect to pollution.

More fundamentally, as we understand it the projected planning reforms, if properly implemented, should obviate the need for PDR in its current form because individual planning permission will no longer be relevant.

Finally, more evidence is needed with respect to the net effect of PDR on housing numbers and on the attributes of the dwellings provided in terms of price range, space standards, and immediate location. Evidence is also required on the extent to which positive locational externalities can be maintained in the face of the extent of deregulation currently envisaged.