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Conversion and Stress: Part 1



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Although the planning process can test your sanity at times, this article is not about mental health when dealing with planning applications – that would probably need a ‘handbook’ rather than an article!

Instead, this article is about the concept of ‘conversion stress’ and how you can overcome this to unearth opportunities in your target area (where policy allows). This relates to policies imposed by the local planning authority to control the number of single dwelling houses in a street that would be allowed to convert to smaller units – either as HMOs or as flats.

Developers in more Inner-London Boroughs may come across this more often in my experience – but the issues that follow will almost always be relevant even if no such policy restriction exists locally.

This article is the first of two, and calls upon our recent experience of client cases that have brought challenges in taking such schemes through planning.

What is a Conversion Stress Policy (CSP)?

Local authorities will often seek in some largely suburban roads to, in some way or another, control the amount of properties converted to smaller units, flats or HMOs. This can be for a number of different reasons:

- ◆ Retain a stock of smaller family housing.
- ◆ Protect local residents from the undesirable or unchecked impacts of conversion (e.g. more noise and ‘comings and goings’, overflowing bins, insufficient parking etc.).
- ◆ Ensure that new homes from converted buildings provide a good mix, size and layout of new accommodation.
- ◆ To not harm the ‘lower intensity’ feel of more suburban residential neighbourhoods. Policies will vary from one local authority area to another. However, this issue engages



the very principle of development where permission is sought for a conversion. Not all local authorities will have such policies – it depends on the nature of local pressures on that authority’s housing market. Regardless, you should be sure before focussing on an area for sourcing opportunities that you know whether you will be caught by such a policy. It could save you a lot of time, cost and energy.

Key criteria with CSPs

If such a policy does exist, then it may vary in detail but generally it will have the following types of criteria stated within the policy:

- ◆ Properties below a certain size threshold cannot be converted – usually 130-150sqm (the policy will state a limit).
- ◆ Internal space standards must be met (for HMOs these will in effect be the Housing Department’s Licensing standards).
- ◆ Adequate cycle parking and refuse arrangements.

- ◆ Low or no demand for car parking.
- ◆ A certain percentage limit may be set within a street of the total number that can be converted.

There are several key points to note here that will impact on whether the application might ‘get out of the blocks’ well or ‘fall at the first hurdle’.

These factors will need to be part of your initial due diligence and will impact on your search parameters when hunting for new opportunities.

Search criteria for new opportunities

The size of the property to be converted is probably the primary factor that will influence whether the Council might support the application in principle. If the property is too small, it will not only fall below a policy threshold but this may also lead to fewer new units and smaller returns on initial capital outlay.

Related to this point, check whether the policy relates this size threshold to the original property or the existing property. If it is the former, but the property has been extended already to a point that goes above the size threshold, you might still fail if by deducting the floor area of extensions, the net floor area after allowing for extensions falls below the size threshold. There will be no leeway on this point, so the planning history and physical state of the building must be very carefully checked for evidence of extensions.

Thirdly, developers using this strategy should try to target areas where the availability of public transport is good to excellent. This will help to overcome concerns of possible overspill car parking. This will usually bring with it a possible related benefit of overcoming concerns in some streets of a deterioration in the character of the street, as the existing character of streets already well-served by public transport is less likely to be heavily dominated by single dwellinghouses and will usually be more mixed in character.

Fourthly, if the policy states a threshold percentage of converted dwellings in a street, you will need to do the following:

1. Check the process within the policy for the basis on which the group of properties to be surveyed is established (length of street or range of properties to include).
2. Once the range of numbers within the street is set, mark against each property on a detailed location plan, which of them have permission for a change of use.
3. Carry out an onsite inspection by walking along the street and looking for signs of conversion (e.g. doorbells, bins).

Lastly, it is advisable to go for properties that have a large enough forecourt, at least for the number of bins required for waste and recycling storage. Bicycles can be located to the rear and taken around or sometimes through a property, but bins often have to be stored within a certain distance of the street for convenient collection (sometimes called the 'drag distance').

Anyone seeking to follow this development strategy will usually need to have the following in their lead consultancy team:

- ◆ Planning consultant
- ◆ Architect
- ◆ Transport planner
- ◆ Daylight and sunlight consultant

Other experts may be required too, depending on the nature of the proposal, its location and the Council's wider and relevant policies.

KEY SEARCH CRITERIA (check specific policy wording)

1. Original or existing size of the property more than (e.g.) 150sqm
2. Well-connected to local public transport infrastructure
3. Other nearby converted properties (mixed character area)
4. Not more than (e.g.) 20% of total properties in a street converted
5. Reasonable sized forecourt area for bins

Can you provide a 3-bedroom flat?

After you have overcome issues of principle of conversion, the planners will start to look more closely at matters of design, layout and possibly also dwelling mix.

In most cases we have been involved in relating to a change of use to flats, local authorities would allow a conversion to flats only if the development retains a 3-bedroom or 'family-sized' unit. Some local plan policies might express this as a preference instead of an obligation; if this is the case, you will need to work through this with the design team/architect to explore options to achieve this. Expect to have to show your 'workings' and thought process through this in a Design and Access Statement.

You may need to consider extending the property at ground floor to achieve extra space for a 3-bedroom dwelling. It is usually better to do this than to try to achieve this through a basement and ground floor duplex, for several reasons:

1. Basements are more likely to suffer from poor light and ventilation, whereas ground floor extensions usually enjoy better internal amenity.

2. Basements, especially where they need some form of extension, will be more expensive to build and the direct return on value will be poorer for every extra square metre as they may need to accommodate more non-habitable space.

3. Duplex units require more space, which might not exist on site (a 3-bedroom single storey flat has a minimum floor area of 74sqm whereas a duplex requires 84sqm).

4. You can more easily establish the principle in favour of a ground floor extension (subject to Article 4 directions) through using PD rights first.

5. In some Council areas, problems with basement development have been widely-reported (land stability, flooding, construction disruption) and may invite more objection, avoidable complexity, and risk to the planning application.

If providing a family dwelling, then locating this at ground floor allows direct access to a rear garden, which the smaller units above may not need.

Conversions to HMOs obviously do not require consideration of the same issue of dwelling mix within the building, but such issues regarding whether to extend at ground floor or use or extend basement accommodation will remain relevant. Points to consider are in the box below:

Amenity issues

A common complaint from local residents about new conversions will often be based on the prospect of supposedly larger numbers of new occupants and noise from a more intensive use of the property – referred to as 'comings and goings'. ▶





This is often best rebutted by comparing the existing number of bedrooms and bedspaces with the proposed. It would be usual to find a slight increase, especially in larger HMO cases. However, the degree of increase is often not as great as claimed by objectors, and this exercise can help to close down this as a potential avenue for objection early on, and take the sting out of such issues before officers begin to consider the details of an application.

Issues of adequate sunlight and daylight to proposed new units is important but will also be relevant if any new extensions are proposed. Therefore, it is almost certain that applicants will be asked to provide a daylight and sunlight report. Assessing overshadowing to the garden to the site after extensions to the house and overshadowing impact to neighbouring gardens should also

be undertaken. I appreciate there is an added cost to such reports. However, daylight and sunlight are common grounds of objection and refusal, and a robust report will close-down this issue swiftly and with no room for further effective complaint.

Car-free housing and on-street parking surveys

Ideally, such conversions should be targeted in areas of good to high public transport accessibility. Before bidding on a property, your due diligence should include (either directly or via your planning consultant) canvassing the prospect of car-free or car-capped housing to the scheme, in order to maximise the number of dwellings or rooms in the scheme. Questions asked now will save considerable pain and anxiety in the result later.

Councils have the further power to ask the applicant to agree that some or all of the new units would not be able to apply for an on-street permit in future, to be secured through a s106 Agreement. This will, however, normally only be possible if the property falls within a CPZ (controlled parking zone).

It is becoming increasingly common for Councils to request that an on-street parking survey is provided with the application, especially with HMO applications, which tend to invite more concerns over the intensity of use and the potential impact on the local highway network. Such surveys cannot be done in school holidays or two weeks' either side as traffic conditions might not be 'normal' during these periods. This approach is dictated by guidelines for such surveys, known as the 'Lambeth Methodology'. Therefore, this may be one of the first things you have to get done in order to avoid potentially wasted months until the school holidays are over.

Conclusion

Whilst all of these issues will to some degree be relevant to residential conversions, even where a Conversion Stress Policy does not apply, the existence of a CSP does bring these issues into sharper focus. That being said, every challenge has a response, every problem a solution. What may deter others who might be put off by the wall of obstacles presented by these cases, could thin out the competition for such properties and provide great opportunities for development and investment for those with knowledge, resources and the right attitude. 

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