



February 2013

NEW PERMITTED DEVELOPMENT RIGHTS

Change of use from offices to residential

The New Rights

The Government as part of its agenda to promote economic growth by reforming the planning system has announced the introduction of **new permitted development rights**. These will allow a change of use of a property from office use (use class B1(a)) to residential use (use class C3) without the need to obtain planning permission.

These new rights will come into force in Spring 2013 and will initially last for a period of 3 years. Towards the end of this period the Government will decide whether it will extend these rights.

Exemptions

Local authorities may object to the application of these new rights and can apply to the Government for an exemption relating to specific geographic parts of their administrative areas. However, this exemption will only be granted in exceptional circumstances where these rights would lead to the loss of a nationally significant area of economic activity, or substantial adverse economic consequences at the local level which would outweigh the benefits of these new rights.

Implications

If you are a landlord or owner of a property currently used as offices, these new rights will provide you for a period of 3 years with the added flexibility to grant a lease or convert that property for residential use without the need to obtain planning permission, which will also save you the time and expense of having to pursue a planning application. However, you will still need to consider whether any physical works relating to the change of use comprises development which requires planning permission.

These new rights will be good news for **developers** and **housing associations** seeking to purchase sites for residential development, which might previously have been unviable due to the difficulty of obtaining planning permission for a change of use. We would expect that in more affluent areas of London such as Mayfair there will be an increase in the number of offices converted to residential use given the higher values attributable to residential floorspace in these areas.

If you are a **local authority**, then you need to consider whether you accept the application of these new rights, or apply to the Government for an exemption for specific geographic parts of your administrative area. Applications for exemptions must be made urgently, as the deadline for receipt of these applications is **22 February 2013**.

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