DO YOU HAVE A VACANT OFFICE BUILDING?

Convert to residential with Permitted Development Rights (PDR)

The amendment has enabled developers to convert offices (B1(a)) to residential (C3) use without the need to secure planning permission. The streamlined system means developers only require a ‘prior approval’ application, saving them both time and money. As part of the ‘prior approval’, local authorities can only consider transport and highways impacts, noise impacts, contamination and flooding risks. Affordable housing is not a consideration, which significantly enhances the viability and attraction of these conversion opportunities.

The changes are intended to support the Government’s overall commitment to delivering one million new homes by 2020.

17 local authorities have areas which are exempt from the current office to residential PDR. These areas are referred to as Article 2(5) land and are listed in Part 3 of Schedule 1 in the 2015 Order. They will remain exemption areas until 30 May 2019. After that date Local Planning Authorities will need to make an Article 4 Direction to remove the office to residential PDR. Article 4 Directions restrict the scope of PDR in a particular area or site, and are used to control works that could threaten the character of an area of acknowledged importance, such as a conservation area. Generally this will affect city centres, particularly commercial areas such as the City Activities Zone in London and other such designated areas.

From 1st October 2017 PDR will be introduced for B1(c) light industrial on units below 500 sq m (5,382 sq ft) for a temporary period of three years.
A thriving and expanding market

With shortages of housing, land, labour and materials, development of buildings with PDR is growing throughout the UK, allowing residential developers to provide a more affordable product within a shorter timeframe.

To date transactions have predominantly been in the South East. However, due to a lack of supply and increased competition, we are seeing significant interest throughout the UK and various hotspots emerging, some of which are illustrated below.

**Manchester**
Although a large proportion of Manchester City Centre falls within a granted permitted development ‘exemption zone’, Manchester Council has approved a total of 745 residential dwellings since the introduction of PDR.

**Bristol**
Bristol has seen the highest number of planning applications granted for office to residential conversions outside of London since the introduction of PDR and remains a hotspot for these types of opportunities given the continued growth of the city’s economy.

**Newcastle**
Eight office to residential PD schemes have received approval, providing a total of 699 dwellings.

**Leeds**
21 office to residential PD schemes granted. These are the number of application approvals; the actual number of dwellings created in Leeds during this period was 650, with Leeds Council approving a further 737 dwellings since the introduction of PDR.

**The South East**
The vast majority of the UK’s office to residential conversions have been in the South East within commuting distance of central London. Conversions have included stand-alone office blocks, offices above high street retail and entire office parks.

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Allsop is an independent property consultancy with a market leading reputation for high quality service and integrity.

Over the past two years our private treaty and auction teams have sold over 70 buildings with PDR for conversion to residential. Sales have ranged from £250k - £18m.

2,682 property transactions completed in 2015/16. That’s almost:
* an hour 10* a day,
52 a week, 223 a month
(*working day)

2016 Client Survey
95% satisfied with service level provided

£1.23bn
in 2016 sold at auction
Ranked number 1 auctioneers in UK and Ireland

£1.8bn
transacted in 2016

Over 1.75 million visitors to our website in 2016 from 210 countries

Over 250,000 registered UK & overseas buyers, from PropsCos and Institutions, to private investors and developers

Why Allsop?

Unrivalled exposure
Allsop is able to facilitate a sale by private treaty or auction. However, our collaborative approach means we are uniquely positioned to offer a sale via private treaty with an auction date as a backstop to focus buyers’ attention.

✔ Best route to market  ✔ Best advice  ✔ Best price

Selling by private treaty with an auction backstop - how it works

- Bespoke marketing to our extensive private treaty database with a future auction sale as a ‘backstop’
- Build competitive bidding by widening the marketing to 250,000 auction buyers
- Focus buyers’ interest with the deadline of an auction date
- Binding contract on the fall of the hammer (unless contracts exchanged prior)
- Completion 20 working days later
**Track record**

**sold at auction**

- **Vistec House, Croydon**
  Consent for 62 units
  **Sold £15m**

- **Stoner House, Crawley**
  Planning for 111 units 
  & consent for 76 units
  **Sold prior £7m+**

- **West House, Haslemere**
  Consent for 13 units
  **Sold £1.5m**

- **Berkeley House, Bristol**
  Permitted development potential
  **Sold £1.31m**

- **Eagle Star House, Newcastle**
  Permitted development potential
  **Sold £1.85m**

- **St George Court, Putney**
  Consent for one unit
  **Sold £715,000**

**Track record**

**sold by private treaty**

- **Union Park, Uxbridge**
  Consent for 110 units
  Sold for a PropCo
  **Sold £18.3m**

- **Link House, Billericay**
  Consent for 113 units
  Sold for a Receiver
  **Sold £6.5m**

- **251-259 High Street, Orpington**
  Permitted development potential
  **Sold £6.5m**

- **Greenwell, Hook**
  Consent for 10 units
  Sold for a Fund
  **Sold £4.45m**

- **Epsom House, Epsom**
  Consent pending for six units
  **Sold £90,000**

- **Eagle Star House, Newcastle**
  Permitted development potential
  **Sold £1.85m**

- **Seal House, Bagshot**
  Consent for 12 units & additional consent pending
  **Sold £1.83m**

- **Link House, Billericay**
  Consent for 113 units
  Sold for a PropCo
  **Sold £6.5m**

- **Eagle Star House, Newcastle**
  Permitted development potential
  **Sold £1.85m**

- **3TC House, Liverpool**
  Permitted development potential
  **Sold £1.45m**
Full circle property solutions