

We saw significant changes to the commercial use classes system in September 2020. However, one of the most significant adjustments has been implemented without much fanfare or publicity. It is the change that was put in force since 1 August 2021 permitting development to convert shops into residential units; (Use class E to use class C3).

There has been a decline of the British high street in the last decade and more so recently due to the impact of Covid-19 on the retail sector. Many establishments that had been operating for decades have also had to close their doors due to the rise of e-commerce businesses. The Government believe allowing an easy change from shop to residential might repurpose England's high street and shopping centres.

The legislation introduces a new permitted development right that allows shop to residential conversions. In other words, the change of use from commercial, business and service uses (Use Class E) to residential use (Use Class C3) in England. The new rules mean that conversions from any of those uses, including retail, to residential will not require full planning permission if certain conditions are met.

There are concerns as to the impact this could have on the high street with areas traditionally used to eat out, socialise or purchase goods becoming residential enclaves. However, some retail owners will welcome this idea as it would allow them to let unpopular retail site which may have sat empty for a while.

According to Robert Jenrick, the secretary of state for housing, communities, and local government, the new rules streamline the planning process. He said: "We are creating the most small business friendly planning system in the world to provide the flexibility needed for high streets to bounce back from the pandemic. By diversifying our town and city centres and encouraging the conversion of unused shops into cafes, restaurants, or even new homes, we can help the high street to adapt and thrive for the future."

Prior to 1 August 2021 there were still some permitted development rights allowing the creation of new homes. These include changes from Class M for ground-floor shops, Class G for the rooms above shops, betting shops and payday lenders and Class O for offices. What is different from both Class M and Class O is that these new permitted development right regulations require that the property must have been vacant for three months before any application can be made.

The question we should really ask is whether these changes will help to regenerate our city centres or will they signalling the end of the more traditional high street.

If you need help with commercial permitted developments, please get in touch and speak to our experienced Real Estate lawyers.

THE SAVILLS BLOG

Retail to residential: putting people at the centre of our urban spaces

01 FEBRUARY 2021

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Covid-19 has undoubtedly impacted the world around us, the built environment included. The truth is our towns and city centres were already changing. In 2020 these changes were accelerated. As the need for particular uses and businesses usually found in the heart of towns and cities reduces, opportunities arise to remodel and revitalise those places. What happens next matters.

While for some the pandemic meant a yearning for the countryside and more space, for many it was the loss of human contact and loneliness that was the biggest detriment. The pandemic and its subsequent lockdowns showed us that human beings need to interact with other human beings. It is after all, what makes us human.

As we emerge from Covid-19, our town and city centres will be best placed to enable people to connect with others and create communities. The diagnosis for these places for when we 'Build Back Better' as per the Government's post-Covid strategy? Homes. Lots of them.

The good news is that it's already happening. By combining the retail boundaries of over 2,000 towns and cities across the UK, with data showing the delivery and planned delivery of housing, we can reveal how many homes are set to be delivered where the retail core of towns and cities once stood.

In the five years to June 2020, over 56,000 new homes were built in the very heart of our towns and cities. That is set to be eclipsed with a total of 68,000 new homes currently under construction and a further 173,000 with planning consent. London unsurprisingly dominates recent delivery, particularly for private sales. The North West however isn't far behind.

Build to Rent has helped bring forward much-needed new homes, particularly in places like Manchester. The sector is particularly suited to city centre living. In fact 27 per cent of all build-to-rent completions over the past five years have come from town and city centres. For new build sales, the equivalent figure is just 4 per cent. Manchester is leading the way when it comes to build to rent. Other emerging hotspots include Birmingham, Glasgow and Leeds.

Through creating vibrant places for people to live where there is a wide mix of uses such as offices, schools, nurseries, doctors, surgeries, on top of the usual coffee shops, barbers, bars and restaurants, alongside viable retail, people can connect with others.

But it is not just the big cities which will see new homes built in the centre. Yes it is most visible and prominent in places like Manchester and London, but the data shows smaller towns will also be delivering lots more housing in the very heart of their communities.

Whether it's Aberdeen or Chichester, Newport or Barnsley, towns and cities up and down the country all have one thing in common. Their town centres are the heart and soul of their communities. What matters is what happens next.

