



APPG for Ending Homelessness & APPG for Housing Market and Housing Delivery

Joint inquiry into Housing Solutions for Homeless Households – Rethinking Conversions

Terms of Reference – Jan 23

Background

A fundamental problem facing the UK housing market is the persistent shortage of the supply of housing, particularly at an affordable level. According to one estimate by the National Housing Federation and Crisis, 145,000 new affordable homes need to be supplied in England each year to meet demand. Whilst debate over the merits of national housing targets continues, government figures show that just 59,000 new affordable homes were delivered in 2021-22. The manifesto commitment to deliver at least a million more homes of all tenures over this Parliament looks challenging to achieve.

This chronic lack of housing supply has a profound impact on households on the brink of homelessness as the lack of affordable housing options means many are left struggling as they are faced with rising rents, alongside the increasing costs of other essentials like food and energy.

As well as contributing to homelessness, a lack of affordable housing options inhibits attempts to end it by reducing the affordable options for people to move into when they are trying to leave homelessness behind. While the extent and scale of the issue varies across the country, many local authorities are increasingly forced to rely on temporary accommodation to house homeless households. Government figures estimate councils in England spent £1.6bn on temporary accommodation for homeless households between April 2021 and March 2022.

This shortage of house building and reliance on temporary accommodation comes at a time when there is a growing number of empty commercial buildings following the pandemic and a shift away from office-based working.

During a Capital Letters conference on homelessness last year, panellists from across the housing and homelessness sector noted that some of these empty dwellings could be converted to residential housing as a partial solution to meeting housing demand.

Research has shown that Permitted Development rules relating to commercial to residential conversions have historically led to many examples of poor-quality homes, isolated from vital local infrastructure (such as shops, health, employment opportunities and transport links) and communities. There has also been criticism of the removal of a considerable amount of control from local planning authorities to address specific local needs including affordable housing contributions, and protecting employment space and residential amenities. In addition, concerns have been raised about the potential impact of converting shops and offices left empty by the pandemic without carefully accounting for the effects of climate change, or the impact of the reduced access to commercial spaces or amenities.

However, as some of these issues have been addressed through recent legislation and regulation, such as space and light standards, there is the potential to rethink office to residential conversions. Panellists suggested that either through permitted development

rights or full planning permission, these conversions could form part of a potential solution to meet the need for genuinely affordable, good quality, settled housing for mixed communities, particularly households on low incomes, experiencing homelessness or on the brink of homelessness.

Purpose

The APPG for Ending Homelessness and APPG for Housing Market and Housing Delivery want to develop a clear set of practical recommendations for government on how office and commercial space could be converted into genuinely affordable, good quality, settled housing as part of a solution to the housing supply crisis for people experiencing homelessness and other low-income households.

We are keen to hear from investors, housebuilders and developers, planning consultants, housing associations, councils, homelessness organisations and others across the sector, including people with direct experience of homelessness, on whether office and commercial to residential conversions could play a role in providing affordable housing solutions to help prevent and end homelessness, the barriers to doing so and how to overcome these, and how these developments could provide housing for a mix of households with varying incomes, including households facing homelessness.

About the APPGs

The All-Party Parliamentary Group for Ending Homelessness (APPGEH) was set up in response to growing numbers of people rough sleeping and upward trends in the number of homeless applications in 2016. The APPGEH holds regular meetings with its members to discuss the issues which cause, drive and perpetuate homelessness. It aims to develop the policy solutions which will create lasting change, and keep homelessness at the top of the political agenda. The APPGEH also provides a platform for people with direct experience of homelessness to engage with Parliamentarians and key sector stakeholders and help inform the political dialogue surrounding homelessness.

The All-Party Parliamentary Group for Housing Market & Housing Delivery is a cross-party group of MPs and Peers dedicated to improving the UK housing market. The purpose of the group is to inform and stimulate debate in policy areas affecting the UK housing market; to promote the importance of the delivery of new homes across all tenures; and to provide a platform for interaction between parliamentarians, those involved in delivering housing and other experts and practitioners in the industry.

Capital Letters is supporting the organisation and running of the inquiry. It is a not-for-profit company that was set up in 2019 to prevent and reduce family homelessness in London. The Company is wholly-owned by its local authority members. Working across the capital, it procures properties from private landlords for its 19 member boroughs so that they can move families out of temporary accommodation and into good quality private rented housing on secure, two-year tenancies with support for both tenants and landlords to ensure the tenancies are sustainable. Further information is available at: <https://capitalletters.org.uk/>

Terms of reference

We would welcome evidence on the following questions:

1. Do you agree that there is scope to use commercial to residential conversions to deliver good quality, genuinely affordable settled homes for people experiencing or at risk of homelessness and others on low incomes?
2. If appropriate to your organisation, are you willing to invest in this type of conversion? If so, what rent would you plan to let the end property at? If not, why not and what would need to change to make it viable?
3. What are the constraints on being able to make such conversions work to deliver truly affordable housing for mixed communities, including ensuring it is accessible for people facing homelessness? How can these be addressed?
4. How would you define affordability criteria in regards to housing, both in terms of these potential conversions and the wider context of affordable housing across other tenures?
5. Are there changes that need to be made to PDR or full planning permission to facilitate the right type and quality of conversion more easily or to make undertaking this more attractive?
6. What measures need to be in place to ensure high standards and good quality conversions? Is existing legislation sufficient or does it need to be further improved? If so, how?
7. What would a set of minimum standards look like? Should these be enshrined in planning law so that sub-standard conversions are not possible?
8. What are the criteria that would/would not make a building suitable for conversion? For example, the type of building and proximity to amenities.
9. Where do you think the most potential for commercial to residential conversions lays? For example, thinking about location or whether this is more suited to a particular type of developer.
10. What is needed to overcome negative perceptions of such conversions and make them a viable contribution to the housing crisis? For instance, are there wider community benefits that could be achieved?

Guidance on submissions

The deadline for written evidence is Tuesday 7th March 2023. We would be grateful if submissions could please:

- be no longer than 3,000 words
- include a brief introduction on who the submission is from
- include a brief summary
- have numbered paragraphs
- if you have consent to include the experiences of tenants or people with lived experience of homelessness in your evidence, please anonymise their experiences.

Evidence can be submitted via email to: capitalletters@publicaffairscs.com. For any further information please contact Mia Briggs on this email address.