

New PDR could ‘meet housing crisis head-on’

By [Anviksha Patel](#) Thu 5 August 2021 in [PropertyWeek](#)

Property owners could make £14bn in profits from converting commercial property into housing through permitted development rights (PDR), reveals analysis of Land Registry data by Nimbus Maps shared exclusively with *Property Week*.

Under the government’s new Class MA PDR, which was introduced on 1 August, it is now possible to convert most commercial buildings – including high street units and offices – to residential use.

According to the Nimbus Maps analysis, 31,436 properties spanning more than 88m sq ft with a current worth of £19.2bn could be converted into 135,599 two-bedroom flats through Class MA PDR.

The gross value of the properties after conversion to residential use would be £42.8bn, which is £23.6bn more than Nimbus values the properties under commercial use. With construction costs forecast to be approximately £9.4bn, Nimbus calculates that property owners could rake in profits of around £14.2bn.

Nimbus excluded all listed properties and all those with a cumulative building floorspace of less than 16,000 sq ft.

Nimbus Maps chief executive Simon Davis said: “Class MA has the unrivalled potential to reverse the challenges facing our nation’s high streets with the biggest shake-up of the planning system in recent memory and at the same time meet head-on the housing crisis from reusing commercial land and buildings.

“Until recently, the substantial red tape would deter many from considering commercial-to-residential development, but Class MA gives developers and investors much-needed clear and attainable guidelines to work to.

“The efficient reuse of existing brownfield land not only has the potential to bring back to life underperforming buildings but also protects the countryside from mass development.”

A wide range of concerns have been raised about the new PDR. Back in April, the Royal Town Planning Institute, the Royal Institute of British Architects and the Royal Institution of Chartered Surveyors wrote a joint letter to the government calling on it to “urgently reconsider the measures”.

The bodies said: “Allowing commercial premises to be converted into homes presents a risk for our nation’s town centres and small businesses. Without the usual checks and balances through the normal planning process and without the facility for local communities to comment on proposals, this risks creating poor-quality housing.”