



USE CLASSES AND PERMITTED DEVELOPMENT

21 MAY 2021

INTRODUCTION

Today's presentation will discuss the recent changes to Use Classes and Permitted Development, how it will impact you and your businesses through increased opportunities and flexibility. The webinar will be structured as follows:

- Overview of Permitted Development from Paul Smith of APEX Planning
- Change of Use development appraisal of built assets from Rhys Williams and Jonathon Grove of CS2
- Opportunity for Q&A



Our services include **construction consultancy, building surveying, dilapidations, energy & sustainability and cost consultancy**, covering a range of sectors.

Because we're independent, clients can rely on complete discretion, integrity and impartiality. Our national teams work in partnership with clients to deliver tailored targeted long- term solutions.



Our services include **planning appraisals** to consider the principle of a development, pre-application discussions and early **negotiation with local planning authorities**, the **preparation & submission of a planning applications**, including the coordination of consultant teams, and planning appeals. We have extensive experience attained working within and for the public and private sectors, ensuring that our clients are served by professionals who understand all aspects of the planning system.

“DO CHANGES TO THE ‘USE CLASSES ORDER’ AND PERMITTED DEVELOPMENT RIGHTS EQUATE TO THE EASING OF THE PLANNING SYSTEM, AND IS IT A GOOD THING?”

Paul Smith, Apex Planning Consultants



2020

- The Pandemic
- Class E – Commercial, business and service use class
- Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020
- 1st September 2020

USE CLASSES ORDER

- Class E
 - Class A1 (part)
 - Class A2
 - Class A3
 - Class B1a, b, c
 - Class D1 (part)
 - Class D2
- Class F1
 - Class D1 (part)
- Class F2
 - Class D2 (part)
- Sui generis
 - Class A4
 - Class A5
 - Class D2

CLASS E

- Why have the Use Classes been reorganised?
- What are the implications?



WHAT'S NEW?

- New permitted right – Class E to Class C3
- Class MA - Development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E (commercial, business and service) of Schedule 2 to the Use Classes Order to a use falling within Class C3 (dwelling houses) of Schedule 1 to that Order.
- Takes effect on 1st August 2021.
- Criteria to be applied.
- Conditions to be satisfied.



CONDITIONS

- Development under Class MA is subject to the determination by the LPA as to whether the prior approval of the authority will be required.
- Issues to be considered include:
 - a) transport impacts of the development, particularly to ensure safe site access;
 - b) contamination and flooding risks in relation to the building;
 - c) impacts of noise from commercial premises on the intended occupiers of the development;
 - d) where— (i) the building is located in a conservation area, and (ii) the development involves a change of use of the whole or part of the ground floor, the impact of that change of use on the character or sustainability of the conservation area;
 - e) the provision of adequate natural light in all habitable rooms;
 - f) the impact on intended occupiers of the development of the introduction of residential use in an area the authority considers to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses; and
 - g) where the development involves the loss of services provided by— (i) a registered nursery, or (ii) a health centre maintained under section 2 or 3 of the National Health Service Act 2006, the impact on the local provision of the type of services lost.

OLD VS. NEW

- Class M - retail, takeaways and specified sui generis uses to dwelling/houses
- Class O – office to dwelling/houses
- Longstanding, but recently subject to amendment – end on 31st July 2021
- Class M and O v Class MA

PDRs AND DWELLINGS

- Schedule 2, Part 20
- Class ZA – demolition of buildings and construction of new dwelling houses in their place
- Class AA – new dwelling houses on detached buildings in commercial or mixed uses
- Class AB – new dwelling houses on terrace buildings in commercial or mixed use



WHAT COMES NEXT?

- Is this it?
- Housing, Communities and Local Government Committee

WHAT COMES NEXT?

Committee chair Clive Betts said: “Given these uncertainties, it is crucial that the right framework is in place to support local communities to adapt to meet the new reality, whatever it may be. The government has indicated its intention to use permitted development rights to allow greater flexibility in how buildings are used, removing the need for planning approval for switching use between offices, shops and housing under certain circumstances.

“We have launched this inquiry to understand the implications of this approach. Does it provide sufficient scope for local authorities to set out a coherent plan that addresses local needs? How well does it support the government’s broader goals for economic development and housing capacity? Fundamentally, do they enable the economic and societal recovery we need?”

APPRAISAL TOOLKIT

To assist building owners to make strategic decisions regarding their property portfolio we have put in place several short-form assessments.

Our aim is to assist our clients in appraising assets and investment opportunities whilst incurring only a limited fee exposure.

1. SUMMARY BUILDING INSPECTION

The first of these documents is a **summary building inspection**. There are four parts to the appraisal document;

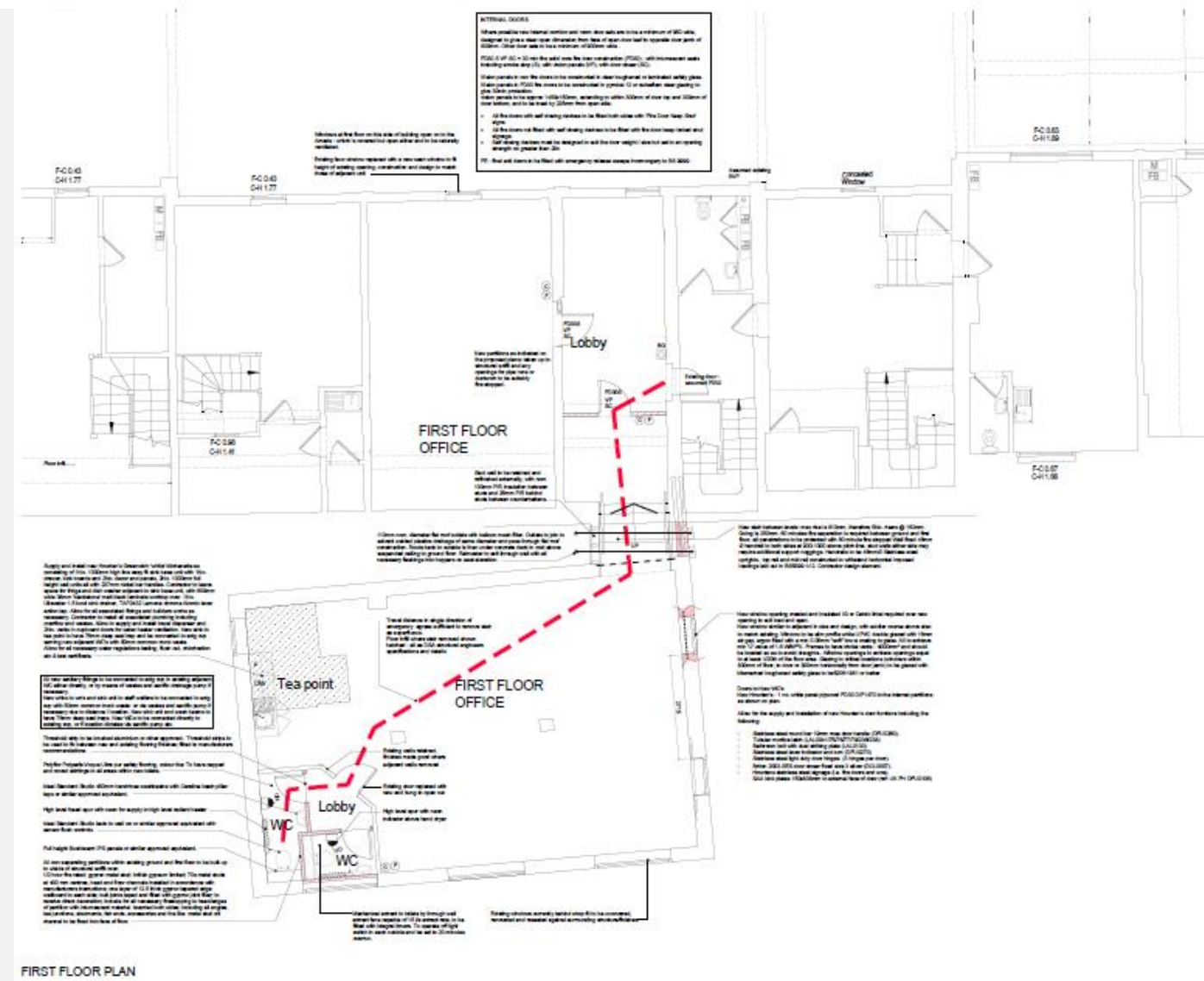
1. Brief Elemental Description
2. Wants of Repair
3. Budget Costs
4. Legal Queries/Additional Bespoke Advice

2. FEASIBILITY PLANNING

Our team of architectural technologists and space planners can assist in providing compliant layouts/options for fit-outs and developments.

In conjunction with planning experts we can review and advise on;

- Potential use 'need' in the building area
- What is the current construction of building and how well can this be adapted to a potential use
- How can the current form of the building be best converted
- What is the most cost efficient design for the building
- What are the building limitations which will require improvement ie acoustics and thermal efficiency to meet building control standards



3. SHORT-FORM DILAPIDATIONS ASSESSMENT

Our Dilapidations Experts undertake a lease analysis and inspection of the building providing an overview of Dilapidations liabilities.

Our report considers your exit strategy from either the Landlord or Tenant perspective, a likely negotiated position along with the implications of E.g LTA S18.1 etc.

ELEMENT	SUMMARY OF WORKS	ESTIMATED COST (£)
	General cleaning throughout the premises on completion of the works.	800.00
<u>REDECORATION</u>	Prepare and decorate all previously decorated internal walls.	16,500.00
	Prepare and decorate all previously decorated joinery and metalwork.	4,400.00
	Prepare and decorate all previously decorated external joinery.	3,250.00
<u>STATUTORY OBLIGATIONS</u>	Provide copy of refurbishment and demolition survey	1,250.00
	Provide Gas Safe Certification.	600.00
	Clean and service all extract ventilation in accordance with CIBSE guidelines.	800.00
	Testing & certifying of electrics and handing over of NICEIC certification with nil defects	2,000.00
<u>Notes:</u>	We have not been provided with any Licence for Alterations so we have made assumptions as to what we believe was installed by the tenant and they will be required to reinstate. The above list of works only includes the main works required and is not an exhaustive schedule of works. We assume that Riley's assets and stock such as pool and snooker tables, dart boards, fixed betting terminals etc would be removed by either Riley's or a service contractor.	

SAVINGS ACHIEVED FOR TENANTS



RETAIL DILAPIDATIONS SUMMARY

Original Claims Total	£61,197,288	<div>ACTUAL SETTLEMENT FIGURES</div> <div>ORIGINAL CLAIMS TOTAL</div> 
Actual Settlement Figures	£20,051,002	
Total Overall Savings	£41,146,286	



OVERALL % SAVING

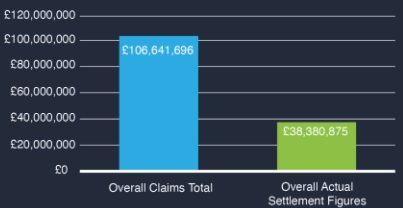
67.24%



CS2 DILAPIDATIONS SUMMARY

CS2 TOTAL FIGURES

Original Claims Total	£106,641,696
Actual Settlement Figures	£38,380,875
Total Overall Savings	£68,260,821



RETAIL SUMMARY

Original Claims Total	£61,197,288
Actual Settlement Figures	£20,051,002
Total Overall Savings	£41,146,286



OFFICE SUMMARY

Original Claims Total	£23,624,994
Actual Settlement Figures	£8,445,688
Total Overall Savings	£15,179,306



INDUSTRIAL SUMMARY

Original Claims Total	£21,819,413
Actual Settlement Figures	£9,884,185
Total Overall Savings	£11,935,228



SECTOR SPECIFIC % SUMMARY

Sector	% of Savings
Retail	67.24%
Office	64.25%
Industrial	54.70%

OVERALL % SAVING

64.01%

0% 100%

3. POTENTIAL CHANGE OF USE OPTIONS

Advice on the potential change of use options available based on the classes update. Example of change of use CS2 have advised on are;

CONVERSION AND REFURBISHMENT OF DATED INDUSTRIAL SITE FOR RESIDENTIAL APARTMENTS

COUNTESS ROAD, NORTHAMPTON



CS2 were instructed to cost plan the project and undertake pre & post cost management services. The project involves the conversion from former dilapidated industrial premises to good quality residential apartments

IMPRESSIVE OFFICE CONVERSION TO HIGH GRADE RESIDENTIAL

OXFORD HEIGHTS, THE ROPEWALK,
NOTTINGHAM



Conversion of dilapidated former solicitor's office in an impressive Victorian building. Our role ensured that a very tight budget and the programme was met, and the quality of finish was high for the Nottingham residential market.

MIXED USE PROPERTY TRANSFORMED & REPURPOSED INTO MODERN ACCOMMODATION

240 HIGH STREET, SUTTON



CS2 were able to undertake works working around the existing tenants with minimal disruption. The commercial units were occupied to the ground floor; therefore, we were required to working around the Tenant and outside of trading hours.

CS2 ASSISTING CLIENT IN
REINVENTING STRANDED ASSET -
CONVERSION FROM OUTDATED
OFFICES TO SOCIAL HOUSING

BEAUMONT HOUSE, NORTHAMPTON



CS2 are currently assisting the client to convert former office building to affordable social housing to be used by Northampton Partnership Homes.

CS2 INVOLVED IN RE-
DEVELOPMENT OF FORMER M&S
SITE TO MIXED USE SCHEME WITH
200-RESIDENTIAL DWELLINGS

ABINGTON STREET, NORTHAMPTON



CS2 are currently involved in the ongoing re-development of this former M&S site. The works involve the adaption of use of the existing retail unit to over 200 residential dwellings and ground-floor commercial and leisure units.

NEW LANDMARK BUILDING, 261
APARTMENT MILTON KEYNES, BUILD
TO RENT PROJECT FOR GRAINGER
PLC

CENTRAL MILTON KEYNES



CS2 were appointed to provide Employers Agent & Quantity Surveying services on the redevelopment of the 2nd phase of the previous YMCA site in Central Milton Keynes. The project started on site early and is currently ahead of Programme.

4. OPTION COST ADVICE

Provision of advice on the cost of the development options. For the high level approach of this toolkit we will generally use benchmarked building and professional fees data.

We use various techniques to provide reliable benchmarked cost per m² rates for different building types and conversions. The level of detail provided using these benchmarked rates can range from a cost range using Lower, Median and Upper End Cost, to a more detailed elemental breakdown which uses historical data as the starting point.

Main sources of cost advice;

- Published data such from the BCIS and pricing books ie. Spons
- Previous projects undertake by CS2 – preferred option for reliability

Benchmarked rates are adjusted to factor in the following as appropriate;

- Location factor using published indices ie London is more expensive to build in than Nottingham
- Abnormals of a given building or site, for example, extent of structural work required, removal of asbestos, level of finish required in residential projects
- Tender Price Indices, from BCIS, shows how tender prices change over time
- Contingencies required to cover the level of risk

The output of this exercise is a document that provides an indication of the cost parameters that can be used in an overall building cost appraisal.

4. OPTION COST ADVICE

An elemental format is used to identify how costs compare with benchmark data and enable adjusted for project specifics.

This information will be issued as part of the development appraisal report with an executive summary outlining the key aspects.

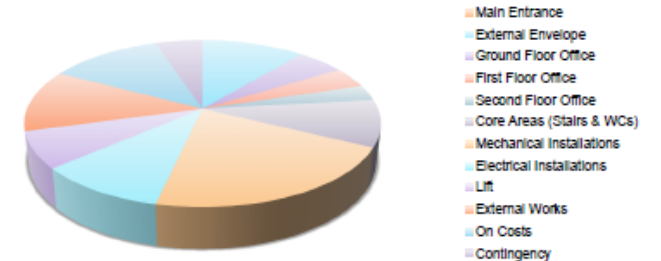
Cost Centre	Group Element/Element	Qty	Units	Median Rate	Lower End Cost	Median Cost	Upper End Cost
					adjusted from Median Cost 90%		adjusted from Median Cost 110%
1.0	Site Clearance/ Demolitions						
1.1	Sundry demolition works and site clearance, but retaining No 240 Holliday Street.	1	Item	25,000.00	£ 22,500.00	£ 25,000.00	£ 27,500.00
2.0	New Build Accommodation						
	Residential						
2.1	Ground Floor	962	m2	1,694.50	£ 1,467,098.10	£ 1,630,109.00	£ 1,793,119.90
2.2	First Floor	962	m2	1,694.50	£ 1,467,098.10	£ 1,630,109.00	£ 1,793,119.90
2.3	Second Floor	962	m2	1,694.50	£ 1,467,098.10	£ 1,630,109.00	£ 1,793,119.90
2.4	Third Floor	962	m2	1,694.50	£ 1,467,098.10	£ 1,630,109.00	£ 1,793,119.90
2.5	Fourth Floor	962	m2	1,694.50	£ 1,467,098.10	£ 1,630,109.00	£ 1,793,119.90
2.6	Fifth Floor	962	m2	1,694.50	£ 1,467,098.10	£ 1,630,109.00	£ 1,793,119.90
2.7	Sixth floor	962	m2	1,694.50	£ 1,467,098.10	£ 1,630,109.00	£ 1,793,119.90
2.8	Seventh Floor	787	m2	1,694.50	£ 1,200,214.35	£ 1,333,571.50	£ 1,466,928.65
2.9	Eighth Floor	557	m2	1,694.50	£ 849,452.85	£ 943,836.50	£ 1,038,220.15
2.10	Entrance canopies to Holliday Street elevation	1	Nr	7,500.00	£ 6,750.00	£ 7,500.00	£ 8,250.00
3.0	External Works						
3.1	Site clearance (included with demolition allowance)	0	m2		£ -	£ -	£ -
3.2	Hard areas, pedestrian pavings only	758	m2	85.00	£ 57,987.00	£ 64,430.00	£ 70,873.00
3.3	Making good to existing roads adjacent to the site, including crossover works	1	Item	15,000.00	£ 13,500.00	£ 15,000.00	£ 16,500.00
3.4	Soft landscaping/planting to private garden areas	1,135	m2	40.00	£ 40,860.00	£ 45,400.00	£ 49,940.00
3.5	Soft landscaping/planting to communal garden areas	3,429	m2	25.00	£ 77,152.50	£ 85,725.00	£ 94,297.50
3.6	Sundry buildings (cycle store/bin store, etc)	1	Item	3,000.00	£ 2,700.00	£ 3,000.00	£ 3,300.00
3.7	Boundary fencing/railings; to private gardens	163	m	225.00	£ 33,007.50	£ 36,675.00	£ 40,342.50
3.8	Service connection costs including BWIC to Residential Units	105	Nr	2,400.00	£ 226,800.00	£ 252,000.00	£ 277,200.00
3.9	Below ground drainage storm and foul	1	Item	85,000.00	£ 76,500.00	£ 85,000.00	£ 93,500.00
TOTAL (excluding VAT ^(see note 2))					£ 12,877,110.90	£ 14,307,901.00	£ 15,738,691.10
GIFA 8,078 m2					£ 1,594.10	£ 1,771.22	£ 1,948.34

The total GIA provides 3,483m2 of floor area.

The estimated construction costs for the base scheme is £2,443,317.00 based on the mean cost data. The rates used within this cost estimate and summarised below are dated 1Q2021

Construction Costs		%	£	£/m2	£/ft2
a	Main Entrance	0%	0.00	0	0
b	External Envelope	11%	269,931.00	77	7
b	Ground Floor Office	5%	126,497.00	36	3
c	First Floor Office	4%	103,813.00	30	3
d	Second Floor Office	3%	76,733.00	22	2
e	Core Areas (Stairs & WCs)	9%	225,584.00	65	6
f	Mechanical Installations	21%	513,686.00	147	14
g	Electrical Installations	10%	232,967.00	67	6
h	Lift	7%	170,000.00	49	5
i	External Works	12%	304,950.00	88	8
j	On Costs	12%	302,808.00	87	8
k	Contingency	5%	116,348.00	33	3
Estimated Build Cost Total (excl VAT)			£ 2,443,317.00	701	65

Elemental Cost Chart



OUTPUT BENEFITS TO CLIENTS

1. Focus on the potential for development and enhancing a Client's property portfolio whether they choose to develop following advice or not.
2. Provide a sound basis for short-, medium- and longer-term property management decisions.
3. Using a One Stop Shop approach CS2 can offer this for a cost-effective fixed fee.
4. The advice provided is from one source and therefore Client objectives can be prioritised from day one.
5. Timescales and resource to complete the building report can be adapted to meet a Client's requirements, often such information is needed quickly in order to meet a gap in the market or decide if a lease is worth progressing.
6. If a particular building is identified as having scope for development, then the initial work undertaken gives a head start for the Client and Design Team in defining the key drivers and Client aspirations.
7. Serve to minimise Client risk from early identification of building issues and abnormal costs.

SUMMARY



- Changes to Use-Classes and Permitted Development
- Implications
- Opportunities



- CS2 Appraisal Toolkit
- Summary BI
- Feasibility Planning/Layouts
- Short-form Dilapidations Assessment
- Cost Consultancy/PM



THANK YOU FOR JOINING US!
FLOOR OPEN FOR GUEST Q&A...