Recent proposals to further expand permitted development rights (PDR) would make it easier to extend residential buildings upwards by one or two floors. The policy is intended to deliver additional homes, and space, primarily by allowing groups of residents to collectively build upwards.

This report investigates the amount of space people have in different cities and how this has changed since 2011. It sets out what should be done to give people more space and make housing more affordable as the economy grows. The main findings are:

1. **The amount of floor space residents have varies between cities, with residents of cities in the Greater South East** of England **having less space.** In the Greater South East of England, the average floor space per resident is 34.8sqm (374.3sqft) and in the rest of England and Wales, this average is 7.5 per cent higher at 37.4sqm (402.7sqft). This is due in part to the economic success of many cities in the Greater South East of England and their housing shortages, which means that residents in these cities attempt to save money on expensive housing by purchasing less space. An example of this is that the average resident in Blackpool has 64.2 per cent more room than the average person living in Slough.

2. **Some of the most cramped cities have continued to see the space per person shrink.** Although residents living in some cities have seen their average space grow, a number of cities, including in the expensive Greater South East of England have seen their space per
person fall since 2011. Between 2011 and 2018, the urban average floor space in England and Wales increased by 0.1 per cent. Brighton had one of the lowest amounts of space per person in England and Wales and this space has further shrunk, with a decrease of 3.4 per cent between 2011 and 2018. Preston, on the other hand, had one of the highest average spaces per person in England and Wales yet saw an increase of 2.1 per cent over the same period.

3. **The previous expansion of permitted development rights had the greatest uptake in cities with the greatest demand for housing.** When PDR was expanded in 2013 to allow for office to residential conversions without planning permission,² the largest uptake of conversions was in the Greater South East of England. Houses built under PDR, unlike houses delivered under planning permission, were concentrated in the most expensive cities with the highest demand.

Three things have to change to give people more space and improve affordability:

1. **Permitted development rights should be expanded to make it easier to build extensions and new homes.** More policies should be introduced to increase the supply of housing where it is most needed. Allowing residents to add more space when they want to is crucial for improving affordability and increasing the amount of space that residents have in the most expensive and cramped cities.

2. **Existing building regulations and design guides should still apply to extensions and new dwellings delivered under permitted development.** To address the criticisms of some of the homes delivered under PDR, existing building regulations and design guides should apply to any expansion of PDR for upward extensions. These extensions should follow the framework outlined in the recently published national design guide³ and minimum space standards should be avoided.

3. **More widely, the planning system needs a much larger overhaul.** The most expensive cities have the greatest demand for housing, and new supply needs to be concentrated in these cities to solve the housing crisis. PDR shows that more flexible planning can increase the number of homes in the cities with the greatest need. The next Government should rewire the planning system so that, in principle, once a local plan is in place, residents should be able to build new homes unless the local authority explicitly says ‘no’, rather than forbidding any development until the local authority says ‘yes’.

² In addition to relaxing the need for planning permission for office to residential conversions, the previous expansion of PDR also relaxed general building and design regulations, and Section 106 contributions.
Introduction

The issue of housing has moved up the national agenda – but there is no one, single housing crisis. The affordability of housing varies massively between cities, as shortages of new homes are a local, urban phenomenon determined by the strength of the local economy.

In 2018, the national average affordability ratio was 8.4; in Oxford, this ratio was 17.3, over four times higher than the same ratio in Burnley of 4.3, where housing is much more affordable. There are also large differences between average rents as well as house prices.

The shortage of homes is linked to how our planning system restricts development by using planning permissions to control the market for land. This and the inequalities it creates between and within cities has been highlighted in previous Centre for Cities research. These restrictive planning requirements decouple supply from demand meaning that the housing supply often grows faster in inexpensive cities like Telford and Mansfield but slower in more expensive cities such as Southend and Oxford where increases in the number of houses are more needed.

At a recent Select Committee evidence session, Robert Jenrick, the Secretary of State for Housing, Communities and Local Government (MHCLG) re-iterated proposals to allow for the upward extension of buildings without the need for planning permission. Those wishing to extend their homes would be able to build upwards by one or two floors without planning permission under PDR. PDR is an automatic grant of planning permission that allows householders to improve and extend their homes without the need to make a planning application. PDR would be granted under the new proposals providing that extensions are carried out safely and to a high standard in keeping with the architecture and design of a street.

This proposed expansion of PDR would follow on from the previous expansion of PDR in 2013 which allowed for office to residential conversions without planning permission. The current PDR system which included office to residential conversions has resulted in over 31,800 additional homes being built in England and Wales between 2015 and 2018.

This report examines the cities which have the most demand for additional space, and where PDR saw the largest take-up previously to see where an expansion of PDR to include upwards extensions and other ways of delivering new floorspace would have the greatest impact on local housing shortages.

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4 Measured as the ratio of the average cost of a house compared to the average wages paid to a worker - Centre For Cities, 2017; Outlook Data Tool: Affordability ratios https://www.centreforcities.org/data-tool/su/57691ca7
6 Similar proposals to facilitate densification in UK cities through planning reform abound. Other ideas include More Good Homes by Create Streets, and the Yimby Alliance’s Better Streets proposal
7 MHCLG, 2018; Table 123: housing supply; net additional dwellings, component flows of, by local authority district
Box 1: Data

The data used in this report is mostly drawn from building energy performance data included in the domestic register when Energy Performance Certificates (EPCs) are collected in England and Wales.

EPCs are required for any newly-built (post-2011) properties as well as for any other building where a transaction has taken place. This includes marketed and non-marketed sales and rentals but does not include any information on houses which have since been withdrawn from the market such as short-term lets, Airbnb lettings or extensions to properties.

When EPCs are collected, one measure is the total floor space in a dwelling. Data on over 18 million dwellings is recorded in the EPC domestic register, which represents around 70 per cent of all dwellings in England and Wales.

This report combines this information with data on the number of households, dwellings and populations, drawn primarily from the 2011 Census, as well as data released by MHCLG.

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9 ONS, 2011; Lower layer Super Output Area population estimates. https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/lowersuperoutputareamidyearpopulationestimates
How much space do people in different cities have?

There is variation in the amount of space that residents in different cities across England and Wales enjoy. This is shown in Figure 1, which depicts the average floor space per resident in 2018. Although the urban average floor space in England and Wales in 2018 was 36.5sqm (393.4sqft) per resident, residents in some cities have much more space than this and residents in other cities have much less. In Blackpool, residents had much more space than the national average, with 44.6sqm (480.2sqft) for each person. On the other hand, residents in other, more expensive cities such as Slough had much less room with the average person having just 27.2sqm (292.4sqft) of floor space.

Figure 1: Average space per resident, 2018

Differences in the average floor space per resident between cities may be driven by a number of factors. Demographic differences between cities will play a role in determining how much space people choose to consume. In cities with larger families or large populations of students such as Leicester and Exeter, there might be more sharing of existing homes between people, and lower space per person. Similarly, cities which are on average older, such as Bournemouth, may have more space per person if there are more households who are retired.

In addition to demographic differences, the variation in space will be affected by the cost of land. In cities with more productive local economies and higher wages for residents, land is more expensive because it grants access to these benefits. Residents who want to access them are making the choice to purchase less space in order to save money.
In cities such as Slough and London, for example, worker productivity and wages are high and, as a result, the value of land is increased. The opposite is likely true in much of the North of England and Wales, where productivity is on-average lower. As a result, land is cheaper, so people can afford to consume more space. Of the eleven cities in England and Wales with the most room, only one is in the Greater South East of England, where land is the most expensive, whereas eight out of the 10 roomiest cities are in the North of England and Wales, where land is more affordable.

How has the amount of space people have changed?

That more affordable cities have more space per person than expensive cities is not necessarily a problem. But residents in different cities do not just have different amounts of space. They have also seen very different changes to the space that they have in recent years.

Figure 2 shows the relative change in space per resident across cities between 2011 and 2018. On average, across all cities, space per person increased by 0.1 per cent. However, the change in space per resident also differed between cities. At the two extremes, Cambridge had the largest average increase in space per resident of 10.3 per cent (3.4sqm/36.2sqft), whereas space in Coventry became more cramped with a decrease of 9.3 per cent (3.1sqm/33.5sqft) per resident over this period.

**Figure 2: Average change in space per resident, 2011-2018**

Source: Ministry of Housing, Communities & Local Government, 2019; ONS, 2011; ONS, 2018
More than half (51.7 per cent) of the cities across England and Wales saw a decrease in the space per person between 2011 and 2018, with another fifth (22.4 per cent) seeing an increase in space of less than 1 per cent. As Box 2 shows, this is not because houses are getting smaller – in fact, they are bigger than existing homes in 69 per cent of cities. Rather, the issue is that people are increasingly forced to share the same, existing space between more people to access these cities’ benefits. These cities require more floor space, in both new homes of all kinds and in the extension of existing properties, to meet people’s different needs.

**Box 2: Are homes getting smaller?**

The data in this report shows that average new homes in England and Wales are 87.1sqm/ 937.3sqft, 2.6 per cent larger than existing homes, which are on average 84.8sqm/ 912.7sqft. However, this hides differences across the country, some cities are building larger average homes than they already have, such as Huddersfield, where new homes are 102.6 sqm/ 1103.9sqft, 15.6 per cent larger than existing homes.

Some cities like Luton have considerably smaller dwellings, at 63.5sqm/ 683.6sqft, but this does not necessarily translate into less space per person. In Oxford, Birkenhead, Reading and Aldershot, new homes are smaller than existing homes, but space per person in each of these cities has increased. In other cities, the opposite applies – new homes in cities like Exeter, Huddersfield, York and Southampton are bigger than existing homes, but space per person is falling.
How effective have previous policies been?

Looking at the previous take up of changes to PDR gives an idea of how a future expansion of PDR might be taken up. In May 2013, PDR was expanded in England to allow for office buildings to be converted into residential dwellings without planning permission.

Figure 3 shows the proportion of new dwellings delivered under PDR\(^\text{10}\) between 2015 and 2018. Only a few cities had a high uptake of these conversions, nearly all of which were located in the Greater South East of England where housing is most expensive and residents already have the least space per person. Crawley and Basildon had the largest uptakes with 38.7 per cent and 30.7 per cent of new dwellings delivered under PDR respectively. Conversions made in these cities increased the total floor space when other housing options were more limited.

**Figure 3: Proportion of new dwellings as permitted development rights, 2015-2018**

In most cities in the rest of England and Wales, the housing supply is less strained. As a result, these cities saw very little uptake of office-to-residential conversions. Almost half of the cities in England saw fewer than 5 per cent of new dwellings delivered under PDR, most of which were located outside of the Greater South East of England. Five cities, all of which were outside of the Greater South East of England apart from Cambridge, including Barnsley, Mansfield and Telford had extremely low uptakes of office-to-residential conversions, with each city seeing fewer than five conversions between 2015 and 2018.

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\(^{10}\) Predominantly office to residential conversions.
The introduction of PDR office-to-residential conversions allowed housing supply to be driven more closely by local demand. Total floor space was increased in cities where it was most needed with residential conversions having a higher uptake in cities where space was more limited. Therefore, if PDR were to be expanded to allow the development of a wider range of new homes and extensions, it follows that this new floorspace would also be concentrated in cities in the Greater South East where housing is most expensive, and potentially in cities of the Midlands where space per person is low despite lower land values.

**Box 3: Is PDR forcing people to have less space?**

Since this previous expansion of PDR, there have been certain cases where the poor use of Permitted Development rights has delivered housing that is poorly designed or with a low floorspace.\(^{11}\) This was the case because the extensions built under PDR currently have to adhere to looser building regulations and were exempt from national minimum space standards.

The general impact of PDR on the size of new dwellings is not clear in the EPC data, yet there have certainly been small flats delivered under PDR.\(^{12}\) Although some cities, like Luton and Crawley, with a large share of new homes delivered through office-to-residential conversions, saw the average size of new dwellings fall, this association is less evident for most cities in England and Wales. Furthermore, cities like Liverpool and Birkenhead also saw the average size of new dwellings fall without many office-to-residential conversions under PDR.

Reintroducing national minimum space standards would not ensure people have more space per person, because people make choices about how much space they want to buy depending on their local housing market. A national minimum standard would have a limited effect in cities where housing is inexpensive and people can afford to buy lots of space. But in expensive cities, minimum floor areas would force people to either pay for bigger (and thereby more expensive) homes than they would wish to, or share a too-large dwelling with other households to save money. The solution in these unaffordable cities is to instead build more homes of all types to fit people’s different needs and to increase people’s incomes so they can buy more space if they wish.

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\(^{11}\) Financial Times, 2018; ‘Slums of the future’? UK office-to-homes policy sparks fears. [https://www.ft.com/content/4f8fe55c-ff62-11e8-ac00-57a2a826423e](https://www.ft.com/content/4f8fe55c-ff62-11e8-ac00-57a2a826423e)

\(^{12}\) The Telegraph, 2017; UK sees boom in number of properties smaller than 37sqm: Would you buy a ‘micro-home’? [https://www.telegraph.co.uk/property/uk/uk-sees-boom-number-properties-smaller-37sqm-would-buy-micro/](https://www.telegraph.co.uk/property/uk/uk-sees-boom-number-properties-smaller-37sqm-would-buy-micro/)
What needs to change?

There is no geographic trend to the changes in space per resident over time. However, some of the cities that are already the most cramped for space have seen the little space that they have reduced further. In these cities, the supply of housing has not kept up with demand. Even though their local economies are growing, people are not able to buy more space due to shortages in housing.

Planning restrictions have further warped supply, restricting residents’ ability to increase the amount of space available to them in cities where space is most limited. The previous expansion of PDR, which removed some of these restrictions, had the greatest uptake in these most cramped cities, due to higher demand.

If PDR were expanded to include upward extensions and other ways of adding new floorspace, the uptake would likely be similar to this previous expansion of PDR. More space would likely be added in expensive cities in the Greater South East of England as well as those cities highlighted in the Midlands where floorspace per person is low.

This is what needs to change:

1. **Permitted development rights should be expanded to make it easier to build extensions and new homes.** More policies should be introduced to increase the supply of housing where it is most needed. Allowing residents to add more space when they want to is crucial for improving affordability and increasing the amount of space that residents have in the most expensive and cramped cities.

2. **Existing building regulations and design guides should still apply to extensions and new dwellings delivered under permitted development.** To address criticisms of some of the homes delivered under PDR, existing building regulations and design guides should apply to any expansion of PDR for upward extensions. These extensions should follow the framework outlined in the recently published national design guide, and minimum space standards should be avoided.

3. **More widely, the planning system needs a much larger overhaul.** The most expensive cities have the greatest demand for housing, and new supply needs to be concentrated in these cities to solve the housing crisis. PDR shows that more flexible planning can increase the number of homes in the cities with the greatest need. The next Government should rewire the planning system so that, in principle, once a local plan is in place, residents should be able to build new homes unless the local authority explicitly says ‘no’, rather than forbidding any development until the local authority says ‘yes’. 
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