

HOMES ON OUR HIGH STREETS



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LICHFIELDS



HOW TO UNLOCK
RESIDENTIAL DEVELOPMENT
ON OUR HIGH STREETS

DECEMBER 2017



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Homes on our high streets

Executive summary

With the UK currently facing a severe housing crisis, it is important that we explore all options to increase housing supply. Given the changing nature of our town centres and the willingness of recent governments to amend planning policy, it is a logical extension to explore the role of space above shops for residential development.

This idea is not a new one and there are important lessons to learn from previous schemes and policies. There is significant untapped potential to create additional homes above shops, on or near the high street but key factors that need to be considered include:

- Access to the building and servicing;
- Compatibility between retail and residential needs;
- Age and structure of the building;
- Building Regulations;
- Fragmented ownership;
- Local community support; and
- Local housing need and viability.

This report, commissioned by the Federation of Master Builders, underpinned by both quantitative and qualitative research, highlights the practical challenges and key considerations of residential redevelopment in six case study towns: Bishop's Stortford, Bridgend, Castleford, Harrow, Motherwell and Stratford-upon-Avon. Exploring three levels of development activity (refurbishment, conversion, and extension/new build) across a range of building types, the report unpacks the key considerations for development for specific types of buildings within each town. This analysis indicates that there is the potential to bring forward additional residential units across a wide range of building types in differing urban settings.

“There is significant untapped potential to create additional homes above shops on or around the high street”

There are challenges to development but they are not insurmountable. In order to overcome these challenges, this report proposes the following recommendations:

- 1** Local authorities should explicitly make reference to building homes above shops on the high street within their various planning documents.
- 2** Local authorities should help find ways to overcome disparate ownership and limited building access and/or infrastructure in order to make redevelopment of residential units easier.
- 3** Where the market is not yet strong enough to make such development viable, central government should make available low cost loans, grants and fiscal incentives.
- 4** Local authorities, local community groups and developers should work collaboratively with property owners to highlight the potential of this type of development.
- 5** All partners involved in building residential units above shops should harness the ability of local community groups to catalyse development.

Introduction

It is well documented that the UK needs more housing. This position is so well established that the goal of building more homes, at a faster rate, is shared across party political lines.

In 2012, there was a large policy shift in developing a more streamlined planning policy through the National Planning Policy Framework. There were also additional policy changes to stimulate redevelopment through permitted development rights, namely office-to-residential and retail-to-residential, and this shows the drive and desire of the Government to stimulate the delivery of new homes through a broad range of measures.

Exploring the potential for house building and redevelopment opportunities on our high streets is the logical next stage to this policy journey. Where there is unutilised space above shops that could be more intensively used or redeveloped into additional housing units, these types of conversions can make useful additions to the housing stock and help local councils meet their housing need.

Furthermore, the rationale for exploring the opportunity for residential development on our high streets extends beyond solving the housing crisis. With a change in working patterns, connectivity and shopping habits, high streets in smaller towns face the dual challenge of



increasing footfall and stimulating demand. Revitalising our high streets through well planned and designed residential units, particularly above shops, could help rejuvenate smaller town centres.

This report by Lichfields and Child Graddon Lewis on behalf of the FMB explores the topic of residential redevelopment of space above shops. While there are a range of issues that could be explored as part of the research, this report builds upon previous literature and provides additional detail on design, built form and planning considerations.

The report focuses on six case studies which have been chosen to take account of these key considerations, such as market strength, town typology, building type and age, local planning policy and Building Regulations. As such, though all of the chosen town centres are particular, they each contain a cluster of key elements, which will mean that the challenges and opportunities they present will find clear echoes in other locations which share a number of the same elements. The report then highlights the common themes and key findings and presents policy options and recommendations that, if adopted, would help unlock residential redevelopment in and around high streets.

“Revitalising our high streets through well planned and designed residential units could help rejuvenate smaller town centres”



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Background and literature review

In recent decades, a shifting economic structure, technological advances and internet connectivity has meant some small traditional towns look and feel very different today. As we move towards a service-based economy that often requires the benefits which agglomeration brings, larger well-connected locations are ideally placed to take full advantage. Moreover, the rise of the internet has changed how we shop and has shifted where we spend our money – the local high street may no longer be the first port-of-call for consumer spending.

These factors have changed traditional market towns significantly. While there should be an important role for a healthy and vibrant retail offer within town centres, there also needs to be a focus on drawing people, and their spending power, to the high street in other ways. A pragmatic approach to improving the residential offer in and around high streets could, and arguably should, be the catalyst to doing this.

Given the changing nature of our economy and growing housing crisis, that the high street should become a new option for housing policy makers is a logical step. However, this is not a new idea – ‘Living Over the Shop’ (LOTS), for example, was a project set up in 1989 and ran until the late 2000s run by a variety of private organisations with state funding and with a number of different focuses.¹

The key challenge to the LOTS scheme was overcoming the typically fragmented ownership of property (and land) on the high street so that regeneration, which included building new homes, could be undertaken along a street. Where ownership can

be unified or coordinated, regeneration of a larger area becomes significantly easier and benefits from economies of scale.

The scale of the potential impact the specific LOTS schemes could have is extremely difficult to estimate. An URBED study of the Housing Corporation’s Social Housing Over Shops scheme estimated that there may be the potential for 1.5m additional one bed flats² while the British Property Federation estimated that 300,000 people could be housed in properties above shops – essentially equivalent to 300,000 one-bed flats³. Furthermore, a Government report from 2003 suggested that there was the potential for 420,000 new homes in empty commercial units including space above shops in England alone.⁴

If we consider not only spaces above shops but also vacant retail space, the potential floorspace available is huge. It is estimated that “one-in-seven shops in Britain is now vacant”⁵, not including the “15 million square feet of retail space that has been demolished to avoid paying empty property business rates”⁵. There is clearly untapped potential to convert these spaces into a significant number of new homes. However, there are further challenges to this additional development beyond the issue of disparate property ownership set out by LOTS.

While the scale of the opportunity has been well discussed, there may be a need to better plan for this type of development at scale. However, planning development at scale can be difficult as a result of the typically fragmented ownership of properties

on the high street. Future High Streets suggested ways to overcome this by creating an attractive single investment vehicle where assets are pooled, invested in and transformed to include residential units.⁶

However, scale is not the only barrier. Research undertaken by Empty Homes highlights key barriers to bringing empty commercial property back into use⁷. One challenge was encouraging property owners to consider residential redevelopment, even when there was a clear business case to be made for it, possibly due to the perceived ‘hassle’ of undertaking the work or the ‘incompatibility’ of commercial and residential development. Another obstacle was the time required for the planning process including obtaining permission, building control and listing building consents, although some authorities are better than others in this sense. A further issue was capital funding – where the business case is less strong, there may be a need for capital grant if the local authority has the joined up strategy to plan for this. Finally, a key lesson was that driven community-led organisations can expedite this process and are often central to making development happen. Indeed, this sentiment is echoed by Peter Redman of Notting Hill Housing Trust in the community action sustained at Portobello Road that now forms the bedrock of the Trust⁸. This should be an important aspect of any future strategy.

Community action is extremely important in fostering support and drive for redevelopment and some communities are already extremely proactive in this. The Civic Society in King’s Lynn has estimated that there

is space for an additional 50 units on the high street alone and are actively campaigning for redevelopment, arguing that the high street, landlords and local people would benefit. Liaising with the West Norfolk Council, the Society contacted landlords to explore the option of residential conversion above their shops and provide advice on letting or selling.

At the same time, while not yet a fully developed idea, there are important moves toward building residential units above shops of varying sizes. For example, major retailers - such as B&Q, Royal Mail and Sainsbury's - are looking to build homes above their shops so that they retain the asset below and explore the issue of 'air rights' - using or selling the space above property for development⁹. This type of redevelopment is beneficial for the retailer, but requires careful planning and design to ensure tenants have the access to the property and the amenities that they require.

Fiscal policy has not stood still on this topic either - Dublin City Council has tried to offer tax breaks for residential conversions and relaxed some elements of Building Regulations in

order to encourage over-the-shop development¹⁰ - albeit under different political and economic conditions - but these are yet to have the scale of impact they were designed to. It may be that market conditions and spatial variation play an increasingly prominent role for this type of development¹¹.

Importantly, there are also fundamental architectural barriers and design considerations to this type of development that need to be overcome. Across the country, different towns reflect their own history and their architectural and planning policy frameworks have been influenced by different factors and altered in different ways over time. As a result, redevelopment of any given town centre will require different considerations and will face different challenges.

There is no 'one-size-fits-all' approach to residential development on our high streets. For example, the needs of residential units in terms of access and servicing will often be different to those of commercial properties and this may be tricky given the location on the high street.

Moreover, there are important regulations redevelopment must adhere to. For example, fire, sound, insulation and drainage considerations must be taken into account whenever a change of use or redevelopment occurs - this will pose challenges depending on the type of building, which unit will be redeveloped and where the building is located. The age and condition of the original building will also play a crucial role - building homes above shops will be more challenging where the asset is in poorer condition and this, in turn, has financial and insurance implications for those considering investment.

In order to highlight the key considerations all stakeholders need to understand in order to pursue this form of development, this report explores six case study towns. As the following section will explain, these six case studies explore the different types of development - and the feasibility of such development - that could be undertaken on top of 'typical' buildings in towns across the country.

The Northern Ireland experience

Northern Ireland is one part of the UK which has seen sustained interest among policy makers in enabling better use of unused commercial space. The Northern Ireland Executive introduced the Living Over the Shop (LOTS) scheme in 2002 to provide grants for the conversion of empty or under-used space above retail and commercial premises into private rented units. Starting as a pilot in two areas, LOTS was restructured and renamed the Town Centre Living Initiative Areas (TCLIA) scheme in 2003, though it continues to be commonly referred to as LOTS.

The scheme, administered by the Northern Ireland Housing Executive, funded £25,000 up to a maximum of 75% of project costs for one unit, and £30,000 for more than one unit. From 2002 to 2009, the scheme made grant

payments of £900,000 on 38 projects involving the creation of 101 new properties in total, therefore averaging out at approximately £23,500 per project and just under £9,000 per property. The LOTS project was closed in 2008/09 due to budgetary pressures, but there continues to be a strong interest in this issue in Northern Ireland.

An analysis of the need and demand for a new LOTS-type initiative commissioned by the Department for Communities was published in January 2017. The report sets out compelling reasons for further intervention. A huge growth in the private rented sector over the last decade or more, driven in significant part by reduced mortgage availability to younger households, has strengthened demand for private rented units in town centres

at the same time as non-domestic vacancy levels in Northern Ireland are significantly higher than they are elsewhere in the UK. Yet, despite upward pressure on rents, the report notes that property professionals are clear that financial support remains a necessity if there is to be sufficient economic incentives for such conversions to be undertaken.

This report appears to be part of an ongoing effort to scope possible interventions in this area. Therefore, though it will clearly be contingent on the spending priorities of future administrations, a revival of some kind of LOTS-type scheme in Northern Ireland seems like a possibility, not least as it would support key policies on town centre living in local development plans in the process of being developed by Belfast City Council and others.

¹ Tallon, A. - Urban Regeneration in the UK (2010)

² The Housing Partnerships - LOTS Feasibility Study (2004)

³ BPF/LOTS - Potential Housing from Space Above Shops (2003)

⁴ Office of the Deputy Prime Minister - Empty Property: Unlocking the Potential (2003)

⁵ The Home Online - 'Living Over the Shop' article - 25th June 2017

⁶ Future High Streets - Living on the High Street (November 2017)

⁷ Empty Homes - Affordable Homes from Empty Commercial Spaces (2016)

⁸ Redman, P. - 'Living over the shop' lecture (2001)

⁹ Property Week magazine - Room at the top - 4th August 2017, page 30

¹⁰ Neylon, L. (Dublin Enquirer) - Above shops, thousands of apartments are still sitting vacant - 4th April 2017

¹¹ Ibid and Keenan, M. (Independent.ie) - Home truths: Why the rot has set in for LOTS III - 24th April 2015



Credit: iStock.com/isturti

Research methodology

In order to undertake analysis demonstrating the potential of building additional homes on the high street, a group of six towns were selected as the focus of the study. These towns needed to represent a varied typology across Great Britain accounting for: geographical variation; market strength; population size; social indicators; architectural variation; and local planning policy.

Small and medium-sized towns were selected as the main unit of analysis as, compared to large towns and cities, they typically have more defined town centres and homogeneity of building form within them, as well as fewer external factors that could complicate the analysis. Therefore, the towns that we have focussed on for this study have a population of between 9,000 and 50,000.

In order to ensure our case study sample was sufficiently broad, data at a suitable geographical level was collated allowing for a cross-town comparison of locations. Neighbourhood level data was collected and then aggregated up to the town level, consistently apportioning data from those neighbourhoods that only partially fell within the market town boundary¹² -

some town boundaries cut through the neighbourhood level data and were accounted for. In order to draw comparisons between towns, each town was assigned to a quartile for each variable - i.e. the data was split into four evenly sized groups with the lowest 25% of values in group one and the highest 25% of values in group four. Using quartiles allowed us to select a representative group of market towns while also allowing us to understand which market towns have similar characteristics.

The selection of the towns arises from two parallel approaches. The first selects market towns based on key data as collated above. The second is based upon qualitative analysis of architectural variation, the feasibility of re-development, and the age and form of the town. The six case study market towns selected were: Bishop's Stortford, Bridgend, Castleford, Harrow, Motherwell and Stratford-upon-Avon.

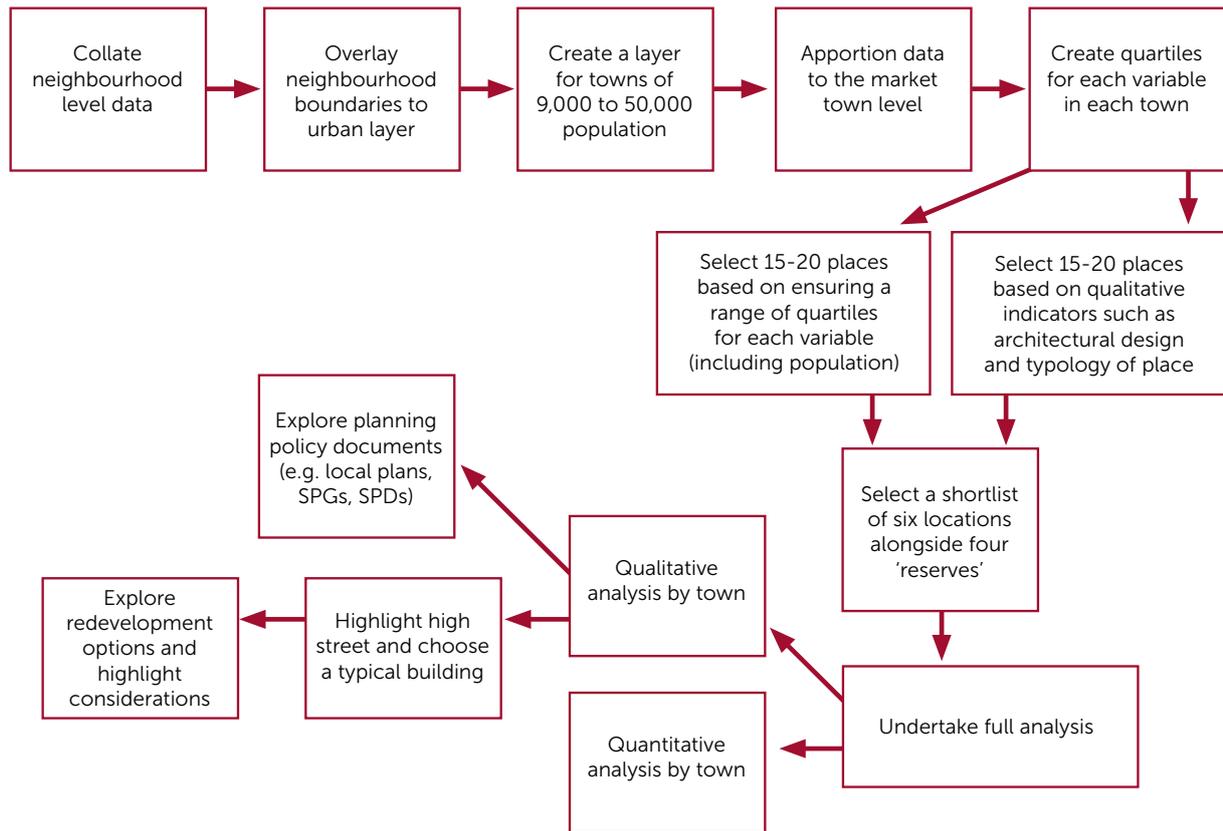
Alongside the quantitative analysis, qualitative analysis was undertaken to explore the potential of residential development on the high streets based on key criteria, including architecture, existing design, existing access planning policy and design

considerations. A section of the high street within each town was selected to illustrate a variety of common scenarios and high level analysis was undertaken in order to identify key features, opportunities and design constraints.

Analysis on the feasibility of development was then undertaken by exploring a range of development 'interventions' across a range of building typologies. As can be seen in the tables on the following pages, there is wide range of different building types and a variety of residential development options - from low-level refurbishment to large scale redevelopment of the entire plot - all of which have their own unique challenges and opportunities.

Individual buildings were selected on each high street in order to explore specific constraints and opportunities for development on a 'typical' structure within the town. The range of interventions was considered and the most appropriate for each town were highlighted. In order to highlight the potential for redevelopment, images and sketches of a single building were created illustrating the type of building and opportunities for scale.

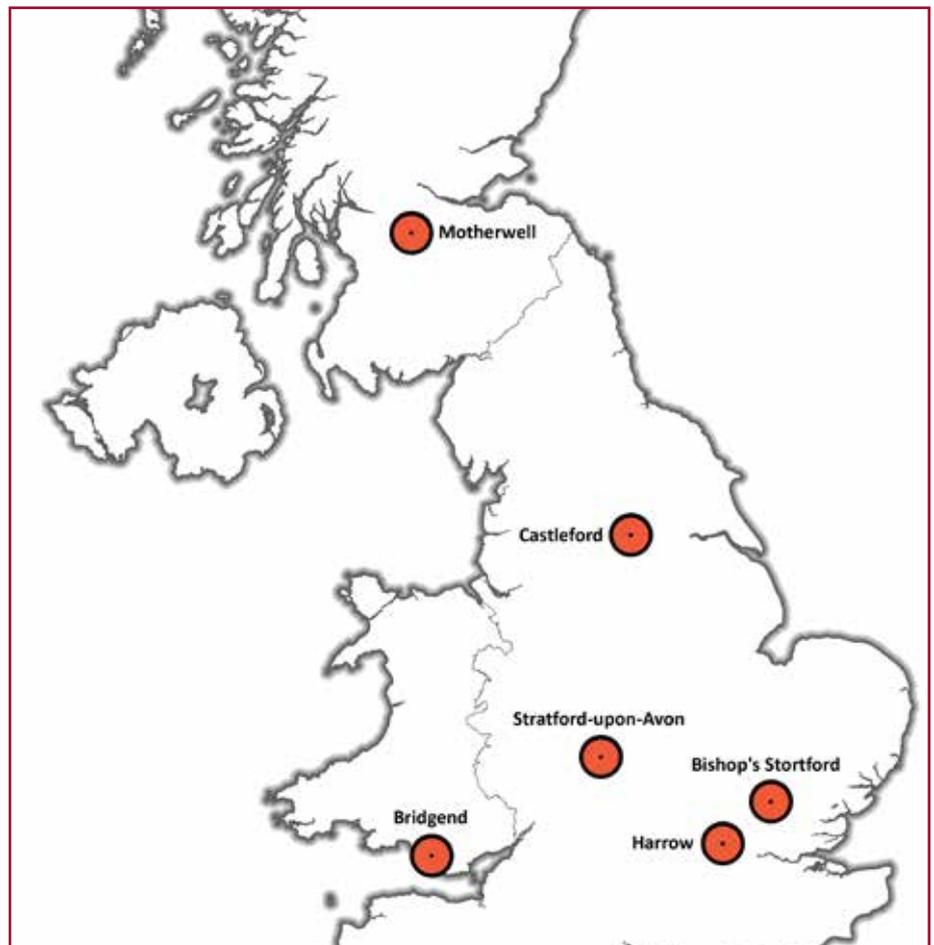
Figure 1 Methodology for town selection



Source: Lichfields

Figure 2 Map of the six case study towns

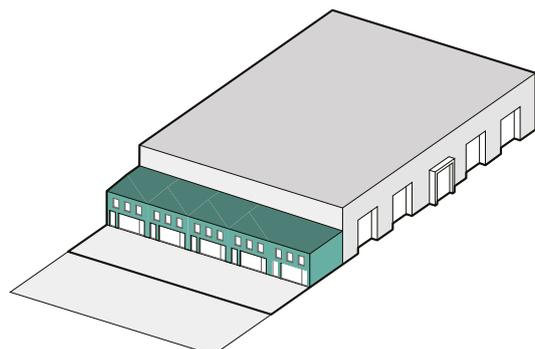
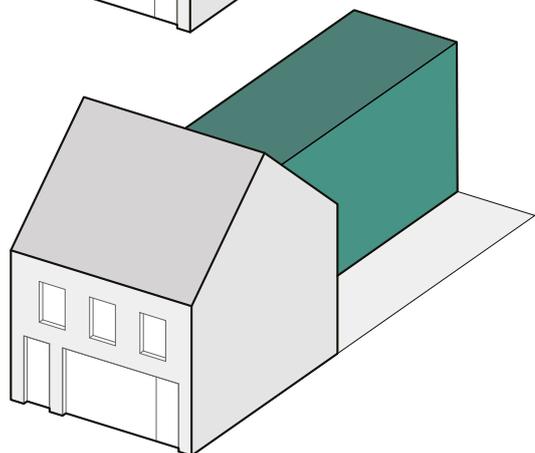
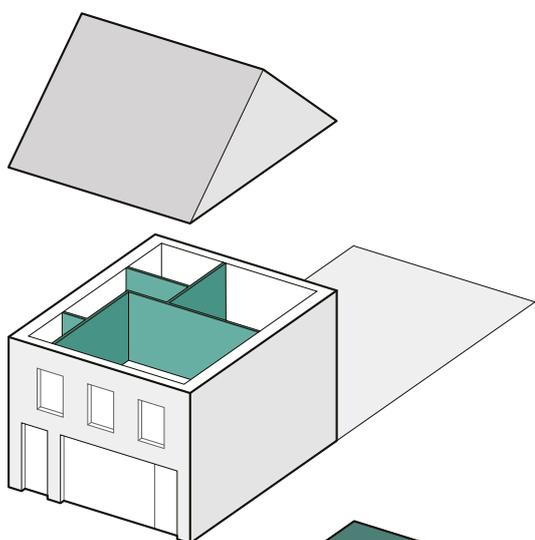
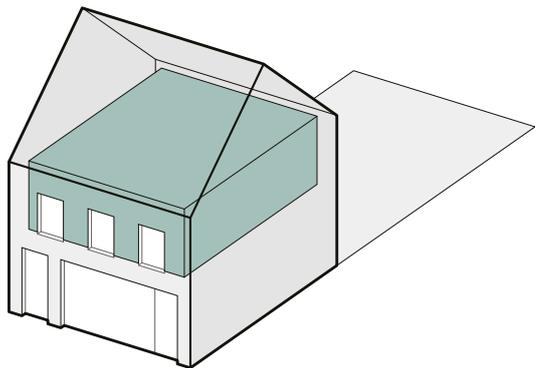
“Small and medium-sized towns were selected as the main unit of analysis as... they typically have more defined town centres”



¹²This analysis uses: Built up area mapping layers (Experian); Population estimate (2015, ONS); (House price (2014; ONS); house price change (2004-14; ONS); note to explore house prices at a town level, lower super output areas were aggregated – the most recent house price data at this geography is 2014; Index of Multiple Deprivation (2015, DCLG); Welsh Index of Multiple Deprivation (2015, Welsh Government); Deprivation Dimensions (2011, Scotland's Census); Qualifications statistics (2011, Scotland's Census). All analysis and geographical approximations – for example, proportion of LSOA or MSOA within the built up area of individual towns – undertaken by Lichfields.

Source: Lichfields

Intervention types



Scale of intervention

Refurbishment

Upgrade of finishes: painting, carpets, fire proofing

Conversion

Rearrangement of internal partitions, structural work, potentially new stairwell, new windows or external doors

Extension or new build

Creation of new structure and accommodation above, to the side or rear of the existing high street building(s) apart from, or in addition to, the above

Large scale redevelopment

Fundamental reconfiguration of large existing building use (e.g. big box retail/ shopping centre), potential creation of new streets, major planning, servicing and structural implications, significant investment and building work

Residential access options	Planning implications (beyond change of use)	Cost of intervention
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Re-use of existing arrangements - generally from the high street

Re-use of existing arrangements - occasionally from side/ rear service lane

None

Low



Re-use of existing arrangements from the high street

Creation of new access point to upper storeys via, or adjacent to, service yard

Limited

May be required for listed buildings or any changes to external appearance

Medium



Re-use of existing arrangements from the high street sometimes impractical

New access from the back or side of the plot behind the high street, potentially poor quality access route for residential use

Detailed application and approval required

High



Likely to be via servicing areas, potentially overlooked and poor quality access for residential use. Likely conflict with either carparking, or heavy goods vehicle (HGV) movements

Detailed application and approval required

Significant investment by established developer

High street building typologies

High street shop type	Age of building	Size
Pre-Victorian, narrow frontage	Pre 19th century	Small
Pre-Victorian, wide frontage	Pre 19th century	Medium
Loadbearing brick, narrow frontage, typically Victorian	19th century	Small
Loadbearing brick, wide frontage, typically Victorian	19th century	Medium
Post-war concrete box, 3+ storeys	Mid 20th century	Medium
Large scale post war concrete 1-2 storey shopping street/ shopping centre	Mid 20th century	Large
Steel framed retail unit	Late 20th century to present	Small to medium
Lightweight steel framed shed	Late 20th century to present	Large
1-2 storey high street shopping centre enclosed by surrounding buildings	Late 20th century to present	Large

Complexity of development**Ease of fireproofing****Acoustic separation**

Medium - typically small compartments	Low - fireproofing above shop unlikely. Structure needs protecting from within ground floor unit (some operational disruption)	Low - timber joists and boards: issues with noisy units from below requiring acoustic ceiling installed on ground floor, impact noise from above requires attenuation in floor build up above
Medium - typically small compartments, potential conservation issues	Low - fireproofing above shop unlikely. Structure needs protecting from within ground floor unit (some operational disruption)	Low - timber joists and boards: issues with noisy units from below requiring acoustic ceiling installed on ground floor, impact noise from above requires attenuation in floor build up above
Medium - typically small compartments	Low - fireproofing above shop unlikely. Structure needs protecting from within ground floor unit (some operational disruption)	Low - timber joists and boards: issues with noisy units from below requiring acoustic ceiling installed on ground floor, impact noise from above requires attenuation in floor build up above
Low - flexibility of floor plate to allow easy division into flats	Low - fireproofing above shop unlikely. Structure needs protecting from within ground floor unit (some operational disruption)	Low - timber joists and boards: issues with noisy units from below requiring acoustic ceiling installed on ground floor, impact noise from above requires attenuation in floor build up above
Low - wide structural grid allows easy adaptation into multiple residences, but more difficult to revise structure	High - continuous in situ concrete floors give good level of fireproofing from shop below	High - continuous in situ concrete floors give effective soundproofing from below. Measures required in unit above to prevent impact sound
Medium - flexible floor plates but more difficult to revise structure	High - continuous in situ concrete floors give good level of fireproofing from shop below	High - continuous in situ concrete floors give effective soundproofing from below. Measures required in unit above to prevent impact sound
High - pre or post tensioned concrete floors (cannot be cut, safety issues) Medium - steel ribbed deck	High - thinner slabs, not continuous, not guaranteed fireproof	Medium - less concrete mass therefore more likely to have acoustic issues
Very high - redevelopment of existing structures or above not generally practical due to structural constraints	N/A - new build extension likely to be separate (adjacent) to existing	N/A - new build extension likely to be separate (adjacent) to existing
High - little opportunity for access or daylighting to rooms	Variable - depends on structure and arrangement	Variable - depends on structure and arrangement

Case study one: Bishop's Stortford



Credit: Colin Palmer Photography; (Alamy Stock Photo)



A historic market town situated in Hertfordshire, Bishop's Stortford is a highly sought-after location. With a population of around 35,000 people, the market town performs well on key economic indicators. The market town is in the highest performing quartile (top 25%) of all towns sized between 9,000 and 50,000 in England based on indicators such as average house price (around £280,000), house price growth (33% increase in the ten years between 2004 and 2014) and level of deprivation (measured by the average score from the Index of Multiple Deprivation).

The vibrant medieval high street contains many typically narrow, thin plots mixed with wider Victorian frontages, some larger retail units and a shopping centre. Several of the larger units back onto a wide service lane at the edge of the town centre while many of the finer grained smaller plots are separated by narrow yards and alleyways. Some have become pedestrian shopping streets, others used for servicing. The historic context, tightly packed building plots, and many units with no access to upper storeys from the high street mean opportunities for significant conversion are limited.

Encouragingly, planning policy in Bishop's Stortford is supportive towards residential development of space above high street shops. While there is no specific policy direction, the opportunity to make use of vacant space above retail units is identified. This stems from the desire to maintain the town centre's role as a social focus for the community. The council has expressed favourability towards residential conversions as part of their desire to maintain town centre vitality through providing a mixture of uses. No barriers were identified as preventing such development. However, ongoing vacancy is not viewed as evidence that the unit is unlettable in its current use, while conversion of ground floor retail units along primary shopping frontages is not permitted. An important point is that the town centre is located within a conservation area, with policy requiring conversion of a listed building to preserve or enhance its special architectural and historical interest.



Bishop's Stortford, study area highlighted



Building study highlighted

High street analysis

Local market

Market strength: **High**

Deprivation: **Low**

Built environment

Plot coverage density: Medium

Building heights: 2-4 storeys

Typical plot frontage: 5-15+m

Development consideration

Case study location: Central high street, medieval town centre

Access to upper storeys: Mixed, side retail yard/lane, high street, internal to building

Planning Considerations: Conservation area, limited amenity space potential, parking requirements

Study area plot arrangement

- Deep historic high street plots often with narrow yards leading to other units away from the high street.
- Typical access arrangement to upper storeys – mixed, side retail yard or lane, high street, internal to building.
- Quality of rear or side service street – good, well kept, predominantly retail frontage.

Opportunities for development

- New build extremely unlikely given historic context and limited space.
- Extensive refurbishment may allow use of larger high street properties into two or more units per floor with minor extensions to the rear in some cases.
- Limited refurbishment possible where use of existing separate entrance to upper storeys allows. This appears to be possible from side streets or high street from a good proportion of units. Frontages suggest potential for subdivision into regular sized residential units.

Case study building type

Typology: Historic

Frontage: 4m

Access options: High street

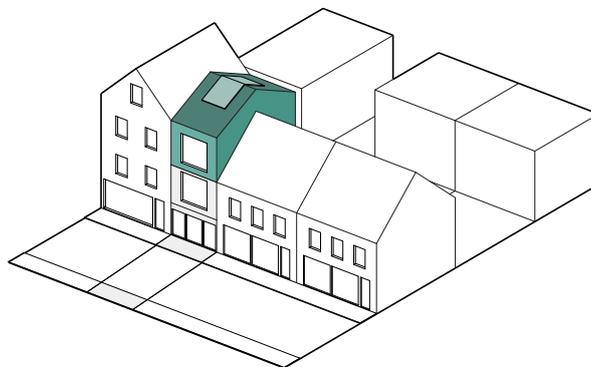
Service lane quality: Good

Development options: Minimal refurbishment

Potential further development

- Rooflights and areas of glazing to side or rear away from sensitive façades to allow greater use of internal spaces.

Room for cosmetic refurbishment of upper storeys in existing property



Densely packed site with limited opportunity for new windows or expansion to rear

Access to upper storeys from high street



Key lessons checklist

- High streets in areas of higher residential value generally make some use of upper storeys as flats where access exists from the high street.
- Difficulties lie in making use of very built-up plots with limited opportunities to create new windows or access to upper storeys from the street.
- Conservation area provides the town with an important identity (and makes it desirable) but can provide challenges for redevelopment.

Case study two: Bridgend



Credit: Alistair Heap (Alamy Stock Photo)

The town of Bridgend in Bridgend County, Wales, is a large market town of around 45,000 people. The South Wales town overall performs well across our key indicators for economic strength. When compared to other similar sized towns in Wales, Bridgend has low levels of deprivation i.e. it is significantly less deprived than other areas in Wales, and has relatively high house prices (around £140,000). However, it performs less well in terms of house price change where it lies in the bottom half of towns in Wales (nominal growth of 20% from 2004 to 2014).

Bridgend comprises compact Victorian low rise high streets at the centre, broken up at the edges with a mix of larger retail units and shopping centres. The study area to the south is an extension of the high street bordering residential neighbourhoods of terraced streets. Many of the upper storeys have already been converted and long service yards to the rear of stretches of the street have potential for development.

Planning policy in Bridgend provides no specific direction with regard to residential conversion of space above shops. However, the need to increase town centre residential provision is recognised and the council has stated that they encourage the redevelopment of existing buildings to create residential dwellings above commercial units. The conversion of vacant ground floor retail along primary shopping frontages is not prohibited, yet loss of units must not lead to a dilution of local provision. As a result, evidence of a unit being unsuccessfully marketed for at least two years must be provided. The council has identified flooding risk and disturbance from existing late night uses as key barriers to development of this nature. A central concern is the potential for complaints to impact upon the viability of existing uses. While Bridgend town centre is located within a conservation area, relevant policy does not refer to residential conversions above shops.



Bridgend, study area highlighted



Building study highlighted

High street analysis

Local market

Market strength: **Above average**

Deprivation: **Low**

Built environment

Plot coverage density: Low-medium

Building heights: 2-3 storeys

Typical plot frontage: 4-6m

Development consideration

Case study location: Extension of high street, southern end of town centre

Access to upper storeys: Most have existing access via service yard, many from the high street

Planning considerations: Parking space requirements

Study area plot arrangement

- The stretch of the high street to the south follows the pattern of adjacent residential blocks with largely consistent frontages approximately 6m wide, and a service lane to the rear, mirroring the terraced residential street on the other side of the service lane.
- Typical access arrangement to upper storeys as most have existing access via service yard, many from the high street.
- Quality of rear or side service street is generally not residential quality and in some cases poorly surfaced.

Opportunities for development

- Potential on long plots for empty servicing space to be built up with new units.
- Some plots which are fully built out although closely spaced could feasibly be converted to accommodate residential units.

Case study building type

Typology: Historic (Victorian)

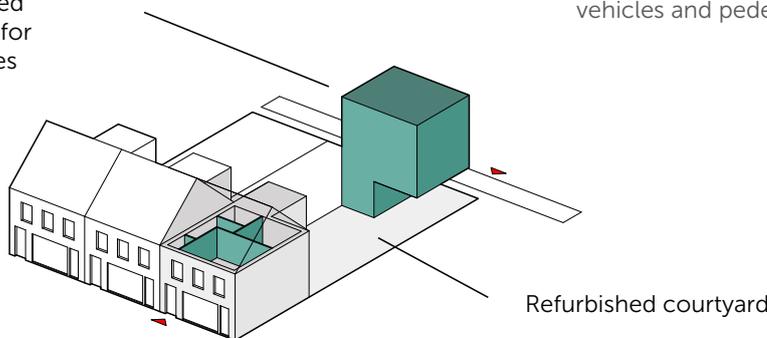
Frontage: 4m

Access options: Front Road or rear lane

Service lane quality: Good

Development options: 1. Minimal refurbishment;
2. Extension or new build

Unit at rear, raised to allow access for servicing vehicles



Room for development to the rear of the property

Access to front and rear is of decent residential standard

Room for refurbishment in existing property

Potential further development

- In addition to conversion of upper storeys, there are opportunities to use the large service yard to the rear for either a residential extension, or a new build either facing onto the service lane or onto a refurbished, shared or covered service yard.
- Multiple adjacent plots could be developed to create a more attractive, residential-oriented lane shared by vehicles and pedestrians.



Key lessons checklist

- Unused space has the potential to transform rear lanes and provide greater activity in town centres, particularly if development can be encouraged in multiple plots.
- Less densely developed areas are also less likely to command high values and so there may not be financial incentives for investment or building work to create new residential properties.
- Local-specific policy needs to be considered, for example, the ground floor retail space currently needs to be advertised for sale for two years.

Case study three: Castleford



Situated in Wakefield, West Yorkshire, Castleford is a large market town of around 35,000 to 40,000 people. In comparison to other similarly sized towns in England, Castleford has low average house prices (around £115,000) and levels of deprivation. In terms of house price growth, it performs slightly better but is still in the lower half of all towns of between 9,000 and 50,000 people in England.

The high street in Castleford is focused on a newly pedestrianised street containing a mix of Victorian frontages, some post-war concrete framed buildings, a large indoor market, and a shopping centre tucked behind smaller high street units and with a wide strip of servicing area on the southern side backing onto the railway. Some large post-war concrete framed buildings have the potential for redeveloping upper storeys for residential use if access issues can be overcome.

Planning policy in Castleford provides no specific direction with regard to the conversion of space above shops to residential use. The Castleford Waterfront development site is identified as suitable for the creation of a range of town centre uses, including residential development. However, all other development sites within Castleford town centre are considered to be suitable for the creation of primarily retail uses. The Council has stated that they do allow development of this kind but focus remains upon encouraging retail uses. This is in response to ongoing town centre decline. The Council have also identified pollution, noise and restaurant smells as key barriers to successfully introducing residential uses to the town centre.



Credit: Mtaylor848



Castleford, study area highlighted



Building study highlighted

High street analysis

Local market

Market strength: **Low**

Deprivation: **High**

Built environment

Plot coverage density: Medium

Building heights: 6-15 storeys

Typical plot frontage: 6-15m

Development consideration

Case study location: Pedestrianised street in heart of town centre

Access to upper storeys: Varies. Internal for many units

Planning considerations: Loss of frontage for access

Case study building type

Typology: Historic (Victorian) / Interwar

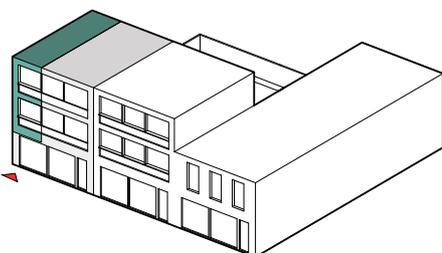
Frontage: 10m

Access options: Side street - limited

Service yard quality: Poor

Development options: 1. Conversion; 2. Extension

New access formed in high street frontage to units above



Potential for conversion of upper floor space to flats

No appropriate access from ground level to upper floors



Study area plot arrangement

- A pedestrianised street with weekly market stalls with larger box retail and shopping centre built directly behind mostly retained smaller commercial units fronting the high street.
- Typical access arrangement to upper storeys – generally internally or from service yard to rear.
- Quality of rear or side service street - not of residential quality, dominated in larger units by heavy goods vehicles.

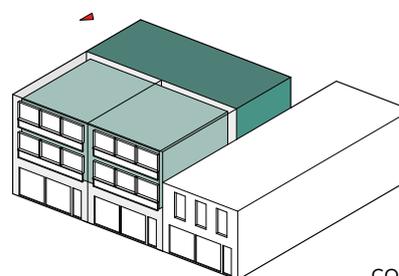
Opportunities for development

- Post-war three storey units with relatively wide frontages, assumed to be constructed in concrete frame, could easily be converted to residential use with the potential to build over single storey element to the rear. Ideal opportunity for multiple ownerships to develop together to combine access arrangements circumventing the service yard.
- Some opportunity to refurbish and convert existing units to residential use, but hampered by the only access point which is of very poor quality. Potential for other units to be refurbished if frontage is given up to residential access to upper floors.

Potential further development

- Centralised access to many upper floor units - if separate businesses work in partnership, could be an efficient way of unlocking convertible space in large buildings with no existing external access to upper floors.

New access from the front to serve multiple converted residential units above ground floor



Key lessons checklist

- Upper floor space in large concrete framed post war buildings with no access from the high street could be unlocked by allowing narrow strips of high street frontage to be converted to residential use to allow an entrance to the upper floors. This may be more desirable in areas where high street shops are in less demand.
- Concrete framed buildings allow flexibility in conversion with minimal load bearing structure on each floor. They also offer good fire protection from units below.

Case study four: Harrow



Credit: iStock.com/Memitina

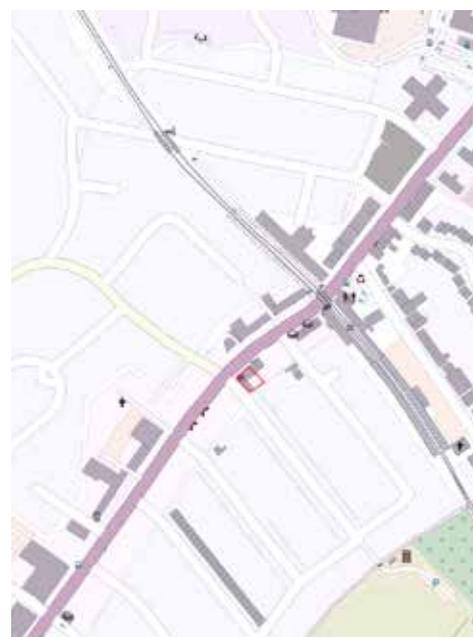
A large suburban town in northwest London, Harrow town is situated within the London Borough of Harrow. Unsurprisingly given its location, Harrow is a strong performing location as indicated by high house prices (average price in 2014 was £325,000) and strong house price growth (46% between 2004 and 2014). However, while overall levels of deprivation in the town are low in national terms, there are also some relatively deprived areas.

Harrow is a typical north west London suburb, largely comprising of regular rows of 1930s semi-detached houses and flats. The study area is typical of many outer London residential neighbourhoods of two storey streets bordering a high street. It has short high street plots, few with access to upper storeys from the high street. As a result, the streets tend to make use of all space to the rear, being extended up to the narrow service lane behind. While little space for development exists, and there is no appropriate access for many units, relatively high residential values may make some interventions viable.

Planning policy in Harrow is supportive towards residential development of space above high street shops, highlighting that such uses are part of what makes town centres vibrant and secure places during the day and at night. These increased levels of activity can both support the evening economy and provide natural surveillance. It is also recognised that town centre living provides immediate access to services, amenities and transport. However, conversion of ground floor units to residential uses will not be permitted under any circumstances given the clear indication that it sends of town centre decline. Harrow is also located within the Greater London Authority, whose policy is also supportive of the conversion of redundant or underused space above shops into active uses, especially housing.



Harrow, study area highlighted



Building study highlighted

High street analysis

Local market

Market strength: **High**

Deprivation: **Average**

Built environment

Plot coverage density: High

Building heights: 2-4 storeys

Typical plot frontage: 5-15+m

Development consideration

Case study location: Central high street, medieval town centre

Access to upper storeys: Service lane, internal to building

Planning considerations: Limited amenity space potential

Study area plot arrangement

- Typical access arrangement to upper storeys – mixed; side retail yard or lane; high street; internal to building.
- Quality of rear or side service street - good. Well kept, predominantly retail frontage.

Opportunities for development

- A combination of limited access to upper storeys from the high street and very narrow and poor quality service lane to the rear makes conversion to residential use of upper floors problematic in many cases.
- Access from streets perpendicular to the high street allows the development of end units.
- Simultaneous upgrade of service lane frontage may make access from the rear possible but would require collective action by multiple landlords and potentially complex building works.

Case study building type

Typology: Historic (Victorian)

Frontage: 15m

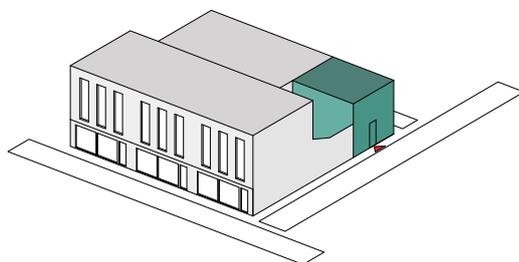
Access options: Side street or rear lane only

Service lane quality: Poor

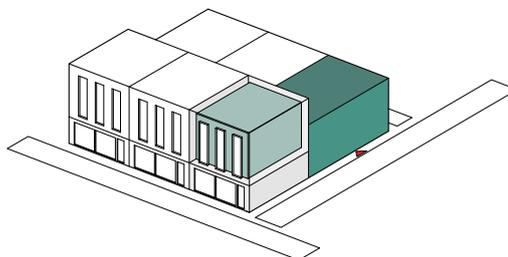
Development options: 1. Conversion; 2. Extension

Potential further development

- Upgrade of access lane may make development of rear sections adjacent properties possible.



End unit rear plot developed with access from residential side street



Wholesale conversion and extension of end unit

No access to upper floors from street

Little space for development

Poor quality access from service lane



Key lessons checklist

- Higher residential values may help make collective upgrade of service lane frontage possible if additional incentives are provided, appropriate guidance or restrictions are in place, and viable locations are targeted.
- Redevelopment would nevertheless remain a complex task.

Case study five: Motherwell



Credit: Supergolden

The 'new town' of Motherwell, Scotland, is a large but relatively low demand town situated south east of Glasgow. With a population of around 32,000 people, it finds itself in the bottom half of all similarly sized Scottish towns in terms of skills (around 20% of the population has a degree or better) – a proxy for market strength and economic structure – and high levels of deprivation.

To the west of Motherwell are mostly low rise suburban neighbourhoods of semi-detached houses. To the east and around the centre are a mix of low rise Victorian high street shops, larger retail units, and some light industrial uses. The study area looks at a post-war two storey concrete framed shopping centre with a pedestrian street running through the centre and servicing spaces and car parking at the sides. Due to a variety of issues with building above, and potential residential access routes conflicting with parking and servicing, any development around the building would be a large and complex undertaking.

There is no specific policy direction regarding conversion of space above shops to residential uses within Motherwell town centre. Whilst housing is identified as an appropriate use within town centres, no further guidance is provided on the suitable nature of this provision. Despite this, the council has stated that they actively encourage such development given its ability to revitalise the town centre. However, they have identified multiple ownership, absentee ownership, unit vacancies, parking, access and 'bad neighbour' uses as barriers to the creation of residential units above high street shops. The emerging Motherwell Town Centre Framework and Action Plan introduces a vision of increased town centre resilience through the creation of a greater number of residential dwellings. This includes the refurbishment of vacant buildings and upper floors for residential use. However, the Action Plan is yet to be formally adopted as policy.



Motherwell, study area highlighted



Building study highlighted

High street analysis

Local market

Market strength: **Low**

Deprivation: **High**

Built environment

Plot coverage density: Medium

Building heights: 2 storeys

Typical plot frontage: 8-30m

Development consideration

Case study location: Post-war shopping centre adjacent to town centre high street

Access to upper storeys: Internally to building

Planning considerations: Varied, extensive

Case study building type

Typology: Post-war

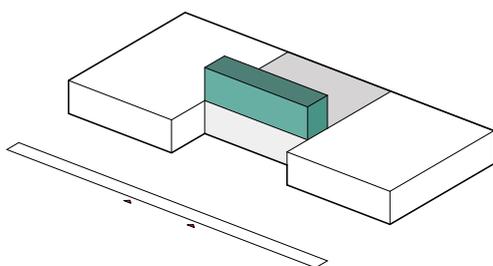
Frontage: 20m

Access options: Front road or rear lane only

Service lane quality: Conflict with hgv traffic

Development options: Large scale redevelopment

New residential units above



Busy vehicle routes to front

Development above problematic



Study area plot arrangement

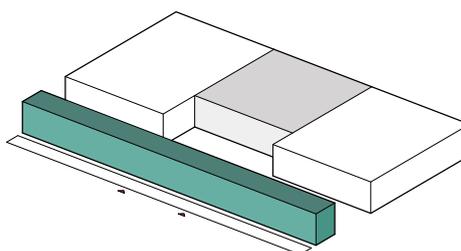
- Purpose-built shopping centre of medium to large box retail, flat roofed and organised around a central pedestrianised spine. Upper storeys are ancillary to shops.
- Typical access arrangement to upper storeys – internally and from service access or car park.
- Quality of rear or side service street – car park or dedicated servicing strip dominated by hgv traffic.

Opportunities for development

- Large scale new build above the existing two storey box presents problems of drainage needing to penetrate existing structure, and in the limitations of the existing structure to bear the weight of any new development constructed on top.
- However, there may be opportunities to redevelop at the perimeter, creating a new street frontage, appropriate to a residential building, and internalising the servicing of the units below. In this way, the issues of structure and drainage could be minimised.

Potential further development

- A smaller scale solution might involve creating new entrances from the car park with access to the existing single storey space above, with the intention of improving the quality of the façade at the same time.
- Both of these options would obviously need to take into consideration whether access and approach would create safety issues for residents.
- A further alternative approach to redevelop above rows of smaller post-war two storey shop units could involve using a section of shop frontage from the high street to reach a new access deck to the rear.



New residential units to street

Key lessons checklist

- Any development above or to the periphery of big box retail units would require significant investment and planning.
- Benefits in creation of housing, improvement of street frontage and town centre activity would have to be balanced against this.
- Balance between the regeneration potential and the scale of planning required.

Case study six: Stratford-upon-Avon



Credit: iStock.com/Oversnap

Situated in Warwickshire in the West Midlands, Stratford-upon-Avon is a popular but small historic market town. Stratford-upon-Avon has high average house prices (where it is in the top 25% of similarly sized towns in England at £242,000), relatively low levels of deprivation, but a slower rate of house price growth (16% growth between 2004 and 2014 puts it in the bottom 25% of towns). On balance, this famous market town is highly desirable tourist location that hasn't quite seen the level of house price growth other towns have.

Stratford-upon-Avon has a thriving town centre with a high proportion of cafés and restaurants which use spaces to the rear of the plot. The medieval street grid has long narrow plots arranged at outer edges of the blocks surrounding what was once open land, now taken up by expansion of retail units, car parking, servicing yards, and pedestrian shopping lanes. The study area looks at one of these central medieval high streets. Opportunities are generally limited by restricted access to upper storeys from the high street and difficulty in making significant changes to the exterior of historic building fabric however there are some opportunities to the rear of high street units where land is unused facing onto – generally good quality - rear service lanes.

Planning policy in Stratford-upon-Avon is supportive towards residential conversion of space above shops, specifying that the principle will be supported providing that the proposal does not dilute or undermine commercial activity within the centre. Retail uses are to remain the predominant activity at ground floor level along primary shopping streets. The council has stated that residential conversions are increasingly occurring within the town centre. They actively encourage residential uses above shops and a number of conversions have recently been completed. The Council have identified the historic nature of town centre buildings as a barrier to their conversion. In particular, many of the older properties do not have separate access to upper floors, with creation of such access reducing the amount of ground floor trading space. Stratford-upon-Avon's town centre is located within a conservation area but the relevant policy does not make reference to development of this kind.



Stratford-upon-Avon, study area highlighted



High Street, building study highlighted

High street analysis

Local market

Market strength: **High**
Deprivation: **Low**

Built environment

Plot coverage density: Medium
Building heights: 2-3 storeys
Typical plot frontage: 5-10m

Development consideration

Case study location: Historic town centre
Access to upper storeys: Internally to building
Planning considerations: Conservation area or listed buildings

Study area plot arrangement

- Quality of rear or side service street - very good. Rear lanes to high street have in many cases been redeveloped for housing and flats.
- Elsewhere they are narrow pedestrianised shopping streets and a few appear to service shops and restaurants.

Opportunities for development

- Opportunities are limited as much of the access to upper storeys to the largely historic building fabric comes from within the high street properties. In some cases, access from side streets or service yards to the rear is possible but creating new access from the high street would arguably damage conservation area street façades.
- Where access already exists from the high street or service yards to upper storeys, conversion to residential should not present problems.

Case study building type

Typology: Pre-Victorian

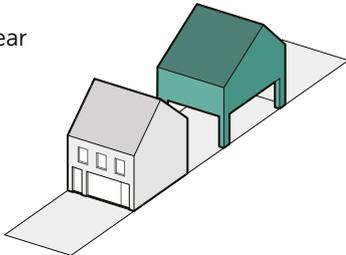
Frontage: 7m

Access options: Rear lane only

Service lane quality: Good

Development options: 1. Minimal refurbishment;
2. Conversion; 3. Extension or newbuild

New build to rear



Historic façade:
new entrance to
residential

Access to rear is of
decent residential
standard

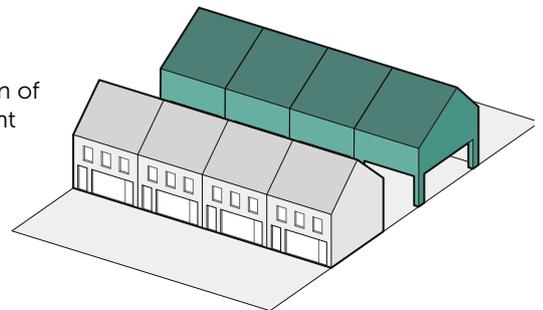
Room for
development at
rear of property



Potential further development

- Continuation of the rear service yard development maintaining access to the service yard and creating a mews type street.

Potential
continuation of
development



Key lessons checklist

- Streets to the rear of high street properties, where they contain a mixture of uses, can benefit from residential development to the back of the plot.
- This creates more 'fronts', increases pedestrian activity and reduces the appearance of a purely utilitarian street.
- Some difficulties may be overcome due to supportive councils and local planning policy.



Key findings

As all development needs to be appraised on a case-by-case basis, it can be difficult to highlight key trends. However, our analysis across these varied case study towns does highlight obstacles and opportunities which are common to all or most of these types of development.

First, there are opportunities to create residential accommodation above shops in all towns, regardless of size, town layout, historical considerations and building type. Indeed, while some development may be more challenging than others, the possibility remains – the challenge is unlocking and encouraging it.

Second, appropriate access and servicing for residential units is crucial for the development of homes above shops. This depends on key factors such as the building type, where on the high street the building is located and whether service roads are of appropriate quality to support new homes. Appropriate access is a key component to unlocking housing development.

Where high street entrances do not exist, there is the potential to create new units on adjacent plots to create 'mews' style developments. Other

options include creating new entrances within existing high street frontages and the creation of shared access deck that bypass servicing spaces.

Third, property ownership on the high street comprises a collection of individual shop owners to local investors, to national and global financial institutions. Where large scale development is required in order to make the scheme viable, ownership becomes vitally important – building collective agreement across owners will be necessary.

Fourth, local economic strength is very important for development. Where demand is high, it is more likely that new development is viable – these places would be served well by positive planning policies which encourage this type of development. However, where demand is low, viability becomes an issue – local and central governments may need to take a proactive financial role in these developments in order to tip the viability balance and better support town centre regeneration.

Fifth, building age, type and structure are crucial to understanding the development potential. Some schemes may only need light-touch, low-level redevelopment, while others will require more structural work

to unlock development. For larger or more comprehensive schemes, a collaborative effort from all public and private sectors is necessary to drive development.

Sixth, there are important Building Regulations to consider when adapting or changing property to residential use. While these regulations will have a cost implication, the regulations in and of themselves do not necessarily pose as a design barrier to development. However, they may impact on the viability of the scheme and, depending on the scale of intervention, could cause short-term disruption to the retail unit below. Where local economic strength means these schemes become unviable, additional government action will be required to facilitate redevelopment.

Finally, our review of the case studies suggests that planning policy often does not mention residential development in and around high streets or provide particular reference to the space above shops. Positions set out in planning documents – local plans, supplementary planning guidance (SPGs) and supplementary planning documents (SPDs) – set the tone for development and can be a useful and effective signal to the market that this type of development is supported.

Policy options and recommendations

The findings set out in this report indicate that there are some immediate opportunities to encourage residential development above shops and some long-term options to maintain this momentum. Importantly, there are recommendations here for all interested parties. Taken in conjunction, we believe these could enable a sea change in this type of development.

1. Local authorities should explicitly make reference to building homes above shops on the high street within their various planning documents such as local plans, SPGs and SPDs. This would provide a focus for this type of residential redevelopment and signal to the market that this is a worthwhile option that the lead authority is willing to encourage.

2. Local authorities should help find ways to overcome disparate ownership and limited building access and/or infrastructure in order to make redevelopment of residential units easier. Where redevelopment at scale is important, the local authority could take an active role in building consensus with existing property owners to redevelop a large section of the high street – this would bring efficiencies of scale by unlocking development where access may be an issue. There are many forms this could take – collective or cooperative

schemes, property consortia, wealth management groups, informal agreements – and different types will be appropriate in different towns.

3. Where the market is not yet strong enough to make such development viable, central government should make available low cost loans, grants and fiscal incentives. As part of the regeneration of high streets, finance and funding could provide the crucial tipping point for development viability. As part of a long term sustained policy, grants and loans could be provided to unlock those schemes that most effectively bring new residential development and increased footfall to local high streets. Furthermore, fiscal policy options – such as business rate rebate or value added tax reduction - could incentivise both property owner and developer to build additional homes. In some cases, grant or loan funding would act as a catalyst for an area: the delivery of new partially funded units and the commensurate uplift in the nature of underutilised space could escalate the end-value for the area to the point that future schemes would not require gap funding.

4. Local authorities, local community groups and developers should work collaboratively with property owners to highlight the potential of this type of development. Whether the property is located in a high demand

or low demand area, many property owners may not have fully considered building homes above their retail unit for a range of reasons – time, perceived difficulty and cost, to name a few. To shift mindsets, an open and honest dialogue about this type of development could unlock a range of development sites and start a chain reaction from neighbouring properties. Creating an organisation that focuses on town centres and the high streets and brings the expertise of owners, councils and investors together, would put in place a champion for the sector.

5. All partners involved in building residential units above shops should harness the ability of local community groups to catalyse development. Community engagement is important for all development but should be seen as a transformative force for this type of development. In challenging towns, local community groups could be mobilised to form support for redevelopment, particularly when they see the positive impacts on their local community. In high demand areas, they could drive the message of the need for more homes so that people can live and work in the local area and sustain economic growth. There could also be a role for neighbourhood planning to play that concentrates on local high streets and provides a useful mechanism, and potential grant funding, to encourage and plan for development.

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