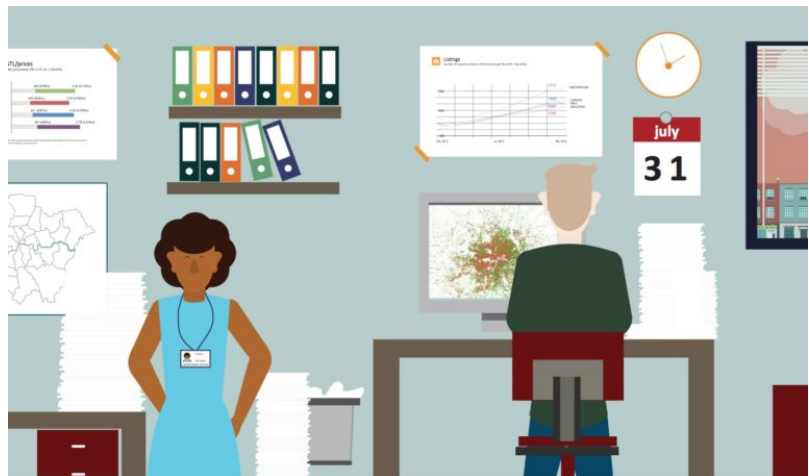


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# Market VS Planning: is deregulation the answer? [Blog]

At first glance the recent changes in regulation around Short-Term Letting (STL) and Permitted Development Rights (PDR) may



seem to have very little in common. The 2015 Deregulation Act allowed Londoners increasing freedom to rent out all or part of their homes on a short-term basis. PDR alterations mean that it is now possible to convert properties used for office to residential development without planning permission.

So what do these changes to two seemingly niche areas of planning policy have in common? **Deregulation.** Both measures are aimed at making market processes work more smoothly and with less regulation. These moves are born out of more than 30 years of debate that have seen planning increasing attacked for being slow, out of touch, and market hampering. Planning is frequently cited as being the main cause of the housing shortage in the UK (Overman 2016; Barker 2006) and a block on development more generally.

deregulation of STL and the deregulation of office to residential development help or hamper cities? Our research examined the impacts of these changes on four central London boroughs (Camden, Islington, RBKC, Westminster).

**Commercial – to – residential (PDR):** Underused office space can now be converted into homes without the need for owners and developers to request a planning permission whether or not the councils consider this conversion appropriate. It is obviously up to the market to identify the optimum level below which office space might be defined as “underused”. If we consider the high prices and shortage of housing in London there is the risk that the term will be easily *mistaken* with “undervalued”. Nowadays, the use value of office floor space in some areas of London is very high, nonetheless, the exchange value of residential units surpasses this, creating a rent gap. With this policy we see an incursion of market based values superseding planning values based on public interest.

**Short-term-lettings:** Another example of the recent loosening of regulation is short term lettings, where Councils are no longer able to strictly regulate holiday letting by change of use. *Central London Local Authorities*, despite their political affiliation, unanimously stood up against the Government’s decision to deregulate STL and the reasons that they used in order to oppose the amendment were essentially two: the **loss of permanent housing stock** and the **detrimental impact STL may have on amenity**. Even before the Deregulation Act 2015, when short-term letting constituted a change of use and consequently was contrary to planning legislation (Section 25 of the Great London Council Act 1973), there was already a fear that the use of residential premises for temporary sleeping accommodation were aggressively spreading out, becoming a business that Local Authorities barely had the capacity to monitor. The rhetoric used by the Government in order to justify this legislative relaxation reproduces the language and the discourse offered by the *roll-out neoliberal* agenda of the last 20 years (Lord & Tewdwr-Jones, 2014).

Taking these two market-promoting initiatives together we see a dissonance in Government policies whereby on the one hand, new housing units are promoted over employment and on the other, housing units maybe removed from the market. We argue that the seemingly minor policy actions of the **temporary extension of PDR** for office to residential conversions and the **loosening of regulation of short-term letting in London** represent two incursions into

on planning.

We present our research here, examining the impacts of deregulation in four inner London boroughs (Camden, Islington, RBKC, Westminster) through a report, a short film showing a discussion between public and private practitioners and an animation that describes the difficulties that London Authorities now face in enforcing short-term letting.

Click [here](#) to read the final report.

Click [here](#) to view the short film.

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