Conversions: The emerging informalisation of housing in the Global North

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Abstract
Housing informality in the Global North is becoming an increasingly important topic amongst planners. In this paper, we build on recent debates on informality and planning to highlight forms of housing informality that emerge at the intersection of affordability crises, and capitalism’s new extractivist frontiers through digital platforms. Using the lens of conversions, we show how the flexible transformation of building uses, from commercial to residential (and vice versa) by landlords create new and emerging forms of informality and subsequent planning challenges. These conversions present three specific characteristics: platform-led rapidity, regulatory grey areas, and professional intermediation. These are being extended through corporate and institutional alignments with for-profit motives of rent extraction, and by rapid real estate investment dynamics. Such conversions do not involve material of physical alterations to the built form and thus remain invisible. They exist flexibly in the grey areas of the law, and as a consequence, the rights of tenants, users and those of the wider community become weaker. We focus on examples of property guardianship and digital platforms-enabled home-sharing in England to illustrate our argument, and propose emphasising conversions as dynamic processes to draw attention to their implications for planning theory and practice.

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Keywords
flexible, informalisation, global north, conversions, housing, England

Introduction
Informality has become an increasingly important part of planning debates in the Global North. Once considered a phenomenon associated with Global South cities it has now come to be seen as an important part of urban life in the Global North as well (Durst and Wegmann 2017; Chiodelli et al. 2021). Our work seeks to extend and expand on this scholarship by analysing informality brought about through the logic of revenue generation from real estate, and enhanced through digital platforms (Sadowski 2020; Fields 2019). We analyse this digitally mediated informality as an instance of ‘informality from above’ that layers onto already existing infrastructures and informal practices, but, rather than being grounded in an ethics of care or social justice, transform these spaces into new sites of profit extraction and the denial of responsibility. Our contribution to the research agenda on informality – or, more accurately, informalisation – of urban inhabitation in the Global North is through the lens of ‘conversions’ between commercial and residential uses of existing buildings.

We do this through the specific context of London, where housing and cost of living crises intersect with increasingly aggressive forms of real estate speculation, housing financialisation and entrenched socio-economic inequality. Drawing on the examples of contemporary planning issues about short-term lettings and Property Guardianship – a form of live-in property security – we discuss the challenges of addressing changes of use between different formal uses, from non-residential to residential and vice versa. These two examples enable us to outline the idea that ‘conversions’ have become simultaneously more widespread and less visible, and that to grasp its implications for planning theory, it needs to be better understood as a dynamic process. In doing so, we name the mechanism of conversion not as a permanent change, but rather as an ongoing and flexible process that is undertaken at different points in the lifecycle of a property to extract rent. We argue that this is a new and important way in which cities experience informality from above, and one that arguably has not as yet been addressed in planning theory. In bringing these two examples together we show not only how inequality and uncertainty are spawning new ways of dwelling, but importantly, how corporate interests, recognising the crisis of housing, are seeking to capitalise on it by subverting and exploiting regulatory grey areas. Through this work, we hope to contribute towards ongoing research on informality in the Global North, particularly that which is driven from above, with a particular attention to the role of digital platforms in new mechanisms of rentiership.

Planning and informality in the Global North
Discussions about urban and housing informality have become increasingly important in Planning Theory to understand the changes that we see unfolding in cities across the world, and the role of planners in its evolution. Informality was once seen as that which
was unregulated and produced from the bottom-up through people inhabiting the margins of urban economies. But in fact, rather than a practice limited to survival strategies by the urban poor, informality is also practiced by the middle-classes, as demonstrated by work on India (Ghertner 2015; Roy 2009). Furthermore, as Roy (2009) in her oft-cited work in this journal, amongst others (Chiodelli et al. 2021) have noted, informality can also be understood as a top-down process. In particular, the state is a key actor in the production of informality through practices of regulation, re-regulation, and deregulation, and through the varying ways in which these are enforced. The state is ‘calculative’ in choosing to suspend laws and regulations, and to produce of states of exception that enable some spaces and activities to be sanctioned while others are not. These sanctions also shift over time creating uneven landscapes and understandings of what is legality and formality (Kelling 2023; Chiodelli et al. 2021; Roy 2009). This is critical in producing particular kinds of development, urban form, profit extraction and the management and disciplining of people and thus the consolidation of state power (Ong 2006; Roy 2009; Yiftachel 2009).

Whilst this analytical framework has been mostly concentrated on urbanisation in the Global South (Ghertner 2015), it has recently been taken up in the Global North context, particularly in relation to planning. A growing body of work highlights how informality has been woven into everyday life. Scholars, however, continue to grapple with how to strengthen the theorization of informality within the Global North context. While authors such as (Devlin 2018) have suggested using terms such as ‘informality of desire’ and ‘informality of need’ to bring about analytical precision to the ‘northern literature’ on informality, this binary understanding of informality, parallels a stark binary division of the world into ‘north’ and ‘south’ and their attendant assumptions around order/disorder, wealth/poverty, regulations/non-regulations/, planned/unplanned urbanism. In fact, as Chiodelli (2021) notes in his rejoinder to Devlin’s work in this journal, informality emerges in different parts of the Global North for different reasons, including cultural, social, and institutional. As such then, then there is no easy division between the ‘informality of need’ versus ‘informality of desire’ as these are blurred in the lives and spaces in many parts of the Global North, intersecting with diverse social, economic, legal and policy processes, both historical and contemporary.

To illustrate this point, in Europe, there is recognition that various forms of informality particularly in relation to housing have long been part of the urban fabric. In Southern and Eastern Europe countries such as Serbia, Italy, Spain, Portugal and Greece, for example, decades of migration, both internal and external, coupled with limited state policies and weak enforcement of planning regulations have re-created the conditions for significant amounts of informal housing and housing practices (Arbaci 2019). There has also been an emergence of informal practices in former Soviet countries due to the lack of free or affordable housing, for example in cities such as Baku, Azerbaijan (Roth 2019). Many informal practices are central to processes of urbanisation. A UN report released in 2009 noted then that 22 percent of the land was occupied by informal settlements in Belgrade, Serbia (United Nations Economic Commission for Europe, 2009). In Italy, entire neighbourhoods in cities such as Rome and Naples have evolved out of unauthorised development and construction, a phenomenon known as abusivismo.
(Rosa 2017) which has a longer history in the country. Meanwhile, in the north of the country, illegal housing construction occurs at the intersection of formal planning, recurrent ‘amnesties’ for planning offences, and well-established presence of criminal organization (Chiodelli 2019).

Equally, within the more ‘Northern’ parts of the Global North, there have been histories of informal development and unlawful uses, for instance through squatting, of land and buildings by the poor and by activists in cities such as Berlin (Hilbrandt 2021), Paris (Aguilera 2013), London and Amsterdam (Dadusc and Dee 2015). In the US, longer histories of self-help housing (Harris 1999) sit alongside more contemporary forms of informal housing that are emerging out of poverty, inequality and exclusion brought about by neoliberal economic reforms; examples include homeless encampments, in-law quarters, self-help housing in the colonias and informal homestead subdivisions in rural hinterland (Ward, 2004; Durst and Wegmann, 2017). Like the US, the UK has a variety of informal housing practices with long histories. These include canal boats, traveller communities and more recently, the residential conversions of garden sheds (colloquially known as ‘beds in sheds’) which became the focus of much media attention in London in the early 2010s (Schiller and Raco 2021). Beds in sheds occupy a ‘grey’ space of law where their legality may be questionable (Kelling 2023). Lombard (2019: 569, 572) notes that purpose-built outbuildings such as garages, sheds and other structures linked to residences have been converted illegally into rental spaces. These lack basic infrastructure such as running water, sanitation, cooking facilities and may be at risk of damp or fire. She notes that these spaces emerged out of a confluence of different issues, such as rising costs of rent, lack of social housing, housing shortages more generally, which disproportionately impact immigrant communities. Similar structures have been produced through the deregulation of planning controls in Australia to alleviate the lack of affordable housing options, whose appropriateness and affordability remains unclear (Shrestha and Gurran 2023).

Through these diverse and evolving discussions, often focusing on survival strategies, that are intertwined with questions of race, class, poverty and migration, we come to see many forms of informality emerging and being recognised within the Global North (Maalsen, Shrestha, and Gurran 2022), but also being exacerbated by various factors including increasing inequality expanding neoliberal urban practices such as land speculation and profit maximisation. Importantly too, the growing and variegated financialisation of housing (Aalbers 2017) which has led to spectacular economic crises including the most recent one in 2008, has highlighted the precarity of the middle classes in relation to mortgage and consumer debt, thus further calling into question the division between ‘informality of desire’ and ‘informality of need’. Our paper probes this issue, by addressing this blurring of boundaries, and subjects involved in informal housing practices. We argue that conversions are becoming an important part of the landscape of informality in the Global North, being driven by corporate interests, state frameworks, but also a by a growing acceptance of rent-seeking logics in a context of income precarisation.
Conversions

The term conversion itself comes into use in the 13th century from Latin- *convertere*, and Old French ‘convertir’ to refer to religious conversions or transformations. In that sense then, the idea of conversion, at its core, refers to a more permanent change from one thing to another. Within planning and architecture, conversions have also had a long-standing history. Buildings have long had their uses converted- from churches to mosques such as the Hagia Sophia in Turkey and vice versa such with the Cathedral in Cordoba, Spain. Conversions between planning uses have recently become a hallmark of governmental intervention and we see this occurring in different parts of the world. Recent planning scholarship in the UK has analysed the conversion of office buildings into residential spaces through permitted developments (PD) rights (Holman, Mossa, and Pani 2018). Such conversions of space from one use to another circumvent many of the regulations required of owners and developers to create residential spaces that meet basic minimum standards. Living spaces created through PDs may help to address elements of limited housing supply, but do so in problematic ways, as spaces may be small, airless, and uncomfortable for those living in them (Ferm et al. 2021).

The argument in favour of conversions, however, is gaining pace for several reasons. Scholars in different parts of the world have indicated the ways in which conversions can be productive. For example, some have argued that they can be environmentally friendly and also financially sensible as they reuse older buildings that have come into disrepair or underuse (O’Kelly and Dean 2007). Residential conversions more generally have also been a much-discussed topic within housing and urban studies. In the US, the conversion of warehouses into residential lofts in cities such as New York (Zukin 1982) and addition or extension of usually single-family dwellings to create accessory units above garages or in basements, and the conversion of garage spaces, sheds and outbuildings into in-law or granny quarters are the most common examples. Many of these conversions occur illegally or informally because they go against density or other planning codes, but authorities do not enforce these (Mukhija and Loukaitou-Sideris 2014; Gellen 1982). Scholars argue that the conversion of such spaces into living quarters needs to be recognised and encouraged by planners, rather than decried as informal practice.

There is an underlying assumption in much of this work, that the conversion that takes place is long-term or permanent, that the space is being built or reconstructed substantially, and that once modified to serve a different purpose, remains in that state. In other words, conversion is presumed to be static, and by extension, conversions are often treated as a noun. The dynamic dimension of these changes as a process is thus implicitly marginalised. Our intention is to re-focus the debate on the processual dimension of ‘conversions’ to examine what enables or blocks these changes and their wider implications as a form of informalisation from above. This allows a theoretical move to identify and appreciate the three specific characteristics of temporary and ‘flexible’ contemporary conversions as informality: platform-led rapidity, regulatory grey areas, and professional intermediation. This is particularly important as we witness the rise of short-term conversions that are also flexible and potentially capable of rapidly switching between residential and commercial uses, as needed, in many urban settings around the world.

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These are ushered in by a combination of changing economic conditions in cities, demand for affordable space, and cultural and social activities. Our argument aims to examine the process of conversion as ushering in forms of ‘informality from above’. In moving away from ideas of permanence, we nonetheless shift away from the focus on temporality because the term ‘temporary’ does not in itself offer a precise characterisation of the nature of these conversions, since a temporary use can last for years. Instead, we suggest seeing conversions as temporary and ‘flexible’ to examine changes of use that may move back and forth between one use and another. We highlight three key elements of temporality and flexibility in the conversions we examine.

The first aspect is that the ease of conversion of buildings between uses has been enhanced by the emergence and establishment of digital platforms that create and manage new forms of use of spaces, and an ease and rapidity of changes between residential and non-residential spaces (Maalsen, Shrestha, and Gurran 2022). While these are formal operations, the forms of inhabitation they facilitate border informality by challenging the formal/informal binaries, introducing degrees of practical and regulatory ambiguity (Ferreri and Sanyal, 2022). A second important element is that these shifts are often occurring without formal changes of planning use or significant material transformations of the built environment and come about through unlawful practices, or through semi-regulated licensing, or other regulatory grey areas. Use class categorisations, a key tool of planning in the UK, lags behind the transformations introduced by digital mediation, which are instead governed by ad-hoc agreements and arrangements; their legalities are highly debateable and are often the subject of lawsuits and policy changes. The third aspect is that such temporary uses are enhanced by the entrance of new professional intermediary actors into the field, particularly, profit-seeking new private companies operating beyond the housing sector (e.g. in our case, specifically in tourism and security). As illustrated by our examples below, their practices of intermediation go hand in hand with a distinctive ability to respond and adapt to new areas of economic activity, driven at times by volatile supply and demand cycles, and to transform in relation to changed conditions, including regulatory frameworks; at times, such as in the case of short-term letting platform Airbnb, they are even able to lobby to transform the framework entirely.

We acknowledge that from the standpoint of those who dwell or engage commercially in such conversions, these practices may be a way of navigating urban life through temporary, sometimes reversible, and agile processes. Semi-formal rental practices, for examples, are significant ways for migrant populations to find home in otherwise unaffordable or exclusionary housing systems (Arbaci 2019). Short-term lettings through the platform Airbnb may be supporting ‘coping hosts’ (Mermet 2022), whose practices make them ‘marginal’ in second-tier cities (Semi and Tonetta 2020). And temporary licensed living such as through Property Guardianship, may constitute the only way to live in unaffordable central neighbourhoods (Ferreri, Dawson, and Vasudevan 2017). Our concern in this contribution, however, rests with the planning and policy frameworks that, in what we see is an increase in the ‘informalization from above’ of dwelling, usher in new uses (and users) by enabling or normalizing novel spatial categorizations. Technological advancements, and the pervasiveness of digital platforms in the urban every day, are challenging established framework of planning practice, within a broader consensus about
rent-seeking behaviours to the detriment of other rationales. In what follows, we want to clarify our thesis through an examination of Property Guardianship and short-term letting through online platforms in the United Kingdom.

**Live-in security: The conversion of non-residential properties through property guardianship**

Our first example highlights specific dimensions of contemporary conversions through professional intermediaries and the wilful use of grey areas in planning and tenancy law to introduce dwelling practices in non-residential vacant properties. The fear of losing property value through dilapidation or vandalism has brought about a particular form of conversion that is not only temporary and flexible, but also enables the extraction of revenue from buildings that may not be considered otherwise fit for inhabitation, either due to their abandoned state or for lack of basic residential services. Here, the protection of property values is at the forefront of practices that could be considered informal housing and that are in fact tolerated, if not outright advocated, by municipal and state level public institutions through contracts and ‘best practice’ guidance. Moreover, the change of use is not usually accompanied by a change in the use class of the buildings.

Property Guardianship (PG) names a form of inhabitation, usually in non-residential properties, for the purpose of providing ‘live-in’ security while said property is vacant. PG has become established over the last thirty years chiefly in Northern European countries, with a particular focus on urban areas. PG companies first emerged in the early 1990s in the Netherlands to manage vacant buildings and expanded during the mid-2000s, coinciding with the demise and eventual criminalisation of residential squatting in 2010. In the Netherlands, PG is known as Anti-Kraak (Dutch: anti-squatting) and it is officially considered an appropriate alternative to the squatting of vacant property (Buchholz 2009). At its peak, there were around 50 property guardian companies operating in the Netherlands alone (Bond Precaire Woonvormen 2014), with PG schemes also present in Belgium, Ireland, France and Germany (Heijkamp 2010).

PG could be interpreted as a form of conversion between the formal (prior) uses of the vacant building, to ‘licensed’ dwelling - as opposed to tenancy agreements. Temporary licenses are issued and managed by PG companies, which are intermediary agencies, often for profit, that provide low-cost or cost-free property security by installing live-in ‘guardians’. Guardians, on their part, act as unpaid caretakers while paying a ‘monthly fee’ to inhabit the properties. In the UK, by 2017, there were over 33 companies registered, of which at least 22 were founded since the global financial crisis of 2008. Interviews have shown that an important driver, for guardians, was the lower monthly expense than for accommodation in the private rented sector, particularly for those on low or intermittent wages (Ferreri, Dawson, and Vasudevan 2017). Guardians, however, have far fewer legal rights than tenants, since the licensing agreements make the status of guardianship as ‘housing’ legally ambiguous, in part linked to the still uncertain categorization of use class of the dwelling spaces (Hunter and Meers 2017; Meers and Hunter, 2019), as will be examined below.
Digital platforms have been central to the operations of Property Guardianship companies. This has been through the various companies’ websites – for advertising the model, for the rapid sourcing and vetting of new guardians, and for allocating them to vacant properties. Since the late 2000s, applications and the management of prospective guardians have been undertaken online, streamlining the ease with which guardians can be matched with vacant properties at very short notice. For guardians, the search for a home becomes highly competitive and stressful, as many larger companies tend not to keep waiting lists, so that applications must be constantly renewed to increase chances of being offered a place. The on-demand process can be opaque and highly exclusionary as the offer of a place can be based on availability to view properties on the same day as they become available, in a process that some past guardians have described as ‘a rat race’ (Ferreri, Dawson, and Vasudevan 2017). Online advertisement and recruitment remain an important route into this model of inhabitation, as confirmed by a survey of the practice in England (Meers and Hunter 2020).

Exact figures about the spread of PG use are not available (Reeve et al. 2021), making it hard to provide sector-wide assessments. Estimates have put the figure at a few thousands of individuals at a given time, concentrated in large cities like London (Ferreri, Dawson and Vasudevan, 2017). A 2016 document compiled through Freedom of Information (FOI) requests and questions to the Mayor of London identified that 24 out of London’s 33 local governments had made use of property guardians (Berry et al. 2018). In some cases, PG schemes were deployed in former public housing complexes that had become vacant in the process of privatization or demolition (Ferreri and Vasudevan 2019). The use of live-in security has been explicitly advocated, both by the companies and by government reports, for reducing the cost of security and for deterring ‘anti-social and criminal behaviours’ in the local area (London Assembly Housing Committee 2015; Department for Levelling Up, Housing and Communities 2022). This advocacy by the two public institutions above can be seen as forms of top-down informalization, specifically as a type of informality enabled by the state, and as a component of wider landscapes of urban reordering and policing, “towards dispersed, embodied forms of security” (Shurety 2021, 40).

While in all these cases the conversion occurred between formal, regulated housing to largely unregulated ‘licensed dwelling’, it has been estimated that a large proportion of PG involves conversion from non-residential properties. For instance, a 2017 report on PG in London by the York Law School (based on a sample of 210 responses) estimated that over 40% of properties were originally non-residential (Hunter and Meers 2017, 24) and included buildings formerly used as archives, youth centres, drug rehabilitation centres, elderly care homes, schools and former public baths (Ferreri and Vasudevan, 2019). Within this, the proportion of former public buildings was significant and consistent with FOI survey findings. The same survey found that at least 45% of all properties where guardians were deployed in London belonged to local authorities or the NHS, leading to the hypothesis that “cuts to public services may have fuelled the use of these services” by the public sector (Hunter and Meers 2018, 4) within wider processes of financialisation of public assets in response to fiscal austerity (Beswick and Penny 2018).
The legal status of guardians as inhabitants is still open to debate. As noted in the previously mentioned 2021 report, in theory, “regardless of the former use of guardian properties, they are occupied as places of residence and so meet the definition of a ‘dwelling’ under the Housing Act 2004” (Reeve et al., 2021, n-n). This would subject PG properties to the same legislative and regulatory frameworks as any other accommodation in the private rented sector. In practice, however, “there remains significant ambiguity, dispute, and variable understanding about the extent to which, and how, existing housing legislation and regulation applies to property guardianship” (Ibid), particularly in relation to the key characteristic of exclusive possession. Legal precedents in UK courts have ascertained that what matters is what happens in practice rather than what is stipulated in the license agreement; this, however, does not automatically equate to legal protection of all property guardians under tenancy law.

In parallel, the use class of the buildings where guardianship takes place is also uncertain. In terms of UK planning laws, guardianship can involve a range of possible use classes. Recent legal precedents have indicated that Property Guardianship can affect buildings’ class in different ways depending on whether the use of could be classified as a ‘house in multiple occupation’ (HMO) – which must be licenced under part 2 of the Housing Act 2004 - and how many guardians reside there (equal or fewer than 6 would require a material change to Use Class C3, which refers to dwelling houses). Generally, the change of use of a commercial building (or part) to an HMO is understood to involve a material change of use that requires planning permission. But in the case of buildings with more than six residents, its planning use is considered unique. It has been noted that “if the presence of property guardians in a commercial building was classified as an HMO for the purposes of licencing under the Act, the building would likely involve an unlawful material change of use in planning law”.

This is an evolving space of planning law, which is subjected to the abilities of profit-seeking actors to adapt and transform in response to litigation. In 2019, for instance, the largest PG company in the UK, Camelot Property Management Ltd, established in 2004, was fined and ceased trading after guardians mobilised and a number of court cases, concerning unliveable conditions, breach of legal legislation about multiple occupancy properties (HMO) and questions about the distinction between guardians and tenants. After pleading guilty to multiple breaches of the HMO management regulations (Housing Act 2004) the company was ‘re-structured’ (Peaker 2019) and is now trading under the name Watchtower Security Solutions United Kingdom Limited, which still provides PG services, as ‘temporary licence’ living, through company Mosaic World’s Monoma platform.

In presenting the role PG companies as enablers in the conversion of building between uses – from formal housing and non-residential properties to ‘licensed’ dwelling – we demonstrate key dimensions of the phenomenon: top-down institutional support through support and advocacy and local municipal contracts, in their double role as enforcers of regulators and as property owning clients; the limited purchase of existing policies and frameworks onto such new mechanisms; the resilience of the for-profit operators, despite legal challenges. Last but not least, this example shows the multiple roles played by digital platforms to ensure ease of conversion and rent extraction. The various entities involved
are not at the margins of the urban economy; on the contrary, they deploy loopholes to usher in informal uses with the aim of protect the values of their properties. Informality through conversions, here, is clearly not just the domain of the poor. It is indirectly exercised by the real estate interests of private and public institutions, thanks to the intermediation of mostly for-profit companies. This is aided by loose frameworks governing building categorisations and the protection of guardians as dwellers, which promote processes of ‘informalisation from above’, enhanced and intensified by digital connectivity, which pose substantial challenges to planning practice and categories.

**Between home and hotel: The conversion of residential space on home-sharing platforms**

Our second example highlights the flexible, oscillatory, and invisible nature of contemporary conversions and the ambiguity around their designation as a result. Here we draw on the blurring of boundaries between residential and hospitality through home-sharing platforms. This practice, undertaken by property owners, many of whom are middle class, has proliferated across many parts of the world. We argue that these conversions are a result of the corporatisation of this flexibility, driven by Silicon Valley technology and funding to encourage people to participate in the continual conversions of their spaces in different parts of the world, often against local regulations. Here, different scales of government often clash with each other, and the state is not just complicit in the production of informality, but also, at the local scale is a victim of the many problems it creates (Colomb and Moreira De Souza 2023; Ferreri and Sanyal 2018; Holman, Mossa, and Pani 2018).

Before we delve into the more corporatist turn in home-sharing, it is worth noting that the practice has a longer history, often deeply embedded in social practices in different parts of the world. It takes a number of different forms including sharing between family members, non-family members, and intergenerational home sharing (Bodkin and Saxena 2017; DSoc et al. 2011; Ruud and Nordvik 1999; Chiodelli et al. 2021). Historically, many of the discussions around home sharing referred to these practices, and particularly intergenerational home sharing where parents and children cohabit in the same house for extended periods of time or even on a permanent basis. Today, there are several different organisations that use home-sharing as a way to achieve certain forms of social justice, for example, helping those with low-income, asylum seekers and students access affordable housing, and helping older people share their homes and thus tackle problems of loneliness and social isolation. The blurring of boundaries between residential and economic space is also common in many parts of the Global South, where homes are used to often do piece-work for garments or where commercial spaces are also used as sleeping quarters.

However, in contemporary parlance that is increasingly corporatised, home-sharing has increasingly come to be equated with platforms such as Airbnb and VRBO which enable landlords and individuals with access to property let out part of it for vacation rentals for limited periods of time. Platforms such as Airbnb built their ‘disruptive’ model on an already existing tradition of couch-surfing- a historically popular way for people to
travel cheaply by sleeping on someone’s sofa in exchange for doing chores or for a nominal amount of money. Although not the only platform, Airbnb became the dominant company offering this service and became a global success. Despite the rhetoric of earning a bit of extra income from spare rooms, it became a magnet for property owners and those looking to extract revenue by tapping into the tourist accommodation market. This is because it is generally far more profitable to let out a property on Airbnb for a total of a few months in the year, than to have it as a regulated longer-term tenancy- what in England is referred to as an Assured Shorthold Tenancy (AST). 

Many cities have since witnessed a proliferation of properties on platforms such as Airbnb. Estimates of the volume and growth of the sector vary, reflecting the disparate definitions of what comprises a “short term let” and the lack of a single robust source of data, as noted in a recent House of Commons briefing paper. This report noted an estimate that 148,000 properties in England were being used for short term lettings in September 2021 via online platforms (Cromarty, 2022) with the majority in London, the Southwest and the Southeast.

Cities, and particularly those that are popular tourist destinations have been adversely affected by this, as a significant amount of affordable housing stock in cities in different parts of the world have changed over to Airbnb units. In parts of the UK, in popular seaside areas, there has been an alarming rise in short term lets including Airbnb. Cornwall alone has seen a rise of short term lets listings of 661% over a 5-year period till September 2021 (Cromarty, 2022). There has also been media attention on the scourge of Airbnb and London is now portrayed as the ‘Wild West’ of short lets. Airbnb is believed to have held a share of around a third of the size of the hotel sector in London in 2018 and the majority of lets on the platform are for the entire home rather than a room, or a room in a shared residence (Cromarty, 2022). In London, for October 2021 for example, 56% of the listings were the entire house (ibid). The scale of operations coupled with the fact that the majority of lets are empty houses, rather than ‘a spare room’ raises a number of questions for the platform. It also has significant implications for local councils as we discuss below. Many have complained that this situation has led to the pricing out of people from their neighbourhoods and towns thus hollowing towns and regions of residents and impacting their sustainability and that of their communities. There have also been complaints of nuisances accompanying short lets including noise and antisocial behaviour. At a time when the country faces a profound housing crisis, the deregulated space of platform-based short lets has created a conundrum for the government. As the London example shown above suggests, it has morphed into a system that privileges landlords rather than helping people make a bit of extra money on the side. An ecosystem of concierge services has also erupted alongside these platforms that provide everything from cleaning and maintenance as well as check in and check out, as has been noted in other countries (Cocola-Gant et al. 2021). In the UK, these include companies such as Airsorted, Hostenga and Airbnb’s own Luckey.

Efforts by local governments to push back against platform lettings have often been stymied and in the UK certainly, the question of sharing economies and what they offer for urban development has led to a number of policy roundabouts. While short term lettings and home-sharing as practices in themselves are not new, in many places such as London
these have been highly regulated in the face of long-standing housing shortages. Initially local councils attempted to stop platforms such as Airbnb by fining those who used it to list their properties (Ferreri and Sanyal 2018). Then, the government changed legislations compelling local councils to allow Airbnb to operate. A compromise was struck, allowing people to let out their properties for 90 days in a year, but this becomes difficult, if not impossible to enforce, particularly for those local councils where finances are more limited. Compromises such as having 90-day limits can also easily be circumvented by landlords as they shift their properties from one platform to another. In areas outside London where restrictions don’t apply, there have also been concerns raised over the legality of Airbnb style short-lets, given their disruptive nature. It is unclear whether the use of residential properties as holiday rentals can be considered material change of use. Is this never allowed? Is it sometimes allowed? Under what conditions? These question plague planning judgements (Cromarty, 2022).

Airbnb poses a particularly tricky problem for urban governance, particularly in places where local governments have to balance the needs of the tourist economy with their statutory obligations of providing affordable housing to vulnerable people and also supporting local communities. Airbnb and others like it have enabled the circumvention of local regulations as landlords use the platforms for short term lets without getting the requisite permissions from the council. The platform has also claimed no responsibility for any rule breaking as they position themselves as a service that connects different users. They also refuse to share data on who may be sharing on the platform citing privacy concerns. These properties are not ‘visible’ except on the platforms themselves, creating an interesting condition in which they simultaneously exist, rated, and are acknowledged by users and platforms, but remain invisible and often difficult to track down for local authorities. The profitability of these properties lies in their ability to remain ‘hidden’ and occupy a hybrid and flexible space between residence and a commercial hospitality venue, all without regulatory oversight. They can circumvent rules around health, safety, accessibility, antidiscrimination or even taxation that normal hospitality venues have follow, by claiming to be residential property and can be taken on and off the market at whim.

Some government departments have tried to address this issue through formalisation by considering introducing the need for planning permissions, creating a register for short term lets or introducing a new use class for “short-term let” (Clarke-Ezzidio 2023). However, those with already existing Airbnb properties do not have to register, and this creates more enforcement headaches for local councils.10

The particular case of Airbnb and sharing platforms more generally invites us to think about the role of digital platforms in encouraging conversions that are not only flexible, but also reversible. Platforms offer the incentives to those who own or inhabit property more securely to constantly shift back and forth between different uses- as a residential and dwelling space, as long-term rental accommodation, and also a commercial, profit-making space providing hospitality services. The conversion remains invisible to local governments and other stakeholders but transforms the urban landscape into one that is increasingly hollowed out of resident and filled instead by transient populations and profit-seeking practices. The laissez faire approach of platforms and many national governments, it privileges the landlords, homeowners, and those with access to properties.
over local communities, governments and tenants and vulnerable people seeking accessible and affordable housing.

**Conversions: a landscape of emerging informality in the Global North**

The discussions about informality in the Global North remain an emerging area of inquiry within planning theory, given that the bulk of theoretical work on the theme concerns the Global South. Much of the work on informality in the Global North, moreover, still focuses on informality from ‘below’ practiced by those inhabiting the margins and ascribes the origins to an absent or limited role of the state, especially around planning regulations. Yet, if we are to take seriously the provocation by Roy (2009) on understanding informality as a process not just of unregulation but also of deregulation, then we need to move beyond the state citizen dichotomy to understand how ‘informality from above’ is driven by corporate interests that often hijack quotidian practices in different parts of the world in order to maximize profits. Although providing an important lens to strengthen theorising around informality in the Global North, Devlin (2018) offers a somewhat reductive way of approaching the question of informality through the binary understanding of ‘informality of desire’ and ‘informality as need’. In thinking for example about Uber as an example of ‘informality as desire’ (Devlin 2018) views the platform as an infrastructure produced through digital technology and consumer desire. He fails to account for the most crucial part of this infrastructure which is the racialised labour of the uber drivers themselves, without whom the platform cannot function (Gebrial 2022). Whilst the platform itself may be one that is fashioned out of desire, the labour is not (ibid). How then do we theorise about it? Yet it is precisely these kinds of infrastructures that layer over already existing inequalities and practices that are reshaping the urban landscape today. We have taken the case of conversions between residential and non-residential uses of buildings to provide a window into this conversation.

Conversions have clearly always existed, and literature has tended to discuss them as permanent transformations from one class use to another. Often, these changes were driven by need, of those potential tenants seeking affordable housing, and those landlords seeking an additional source of income. While common, they were highly individualised acts of changing one part of a dwelling unit into another, often covertly, to avoid the attention of hostile neighbours or authorities (Gellen 1982). Temporary changes of uses, particularly between residential and non-residential, are also not a novelty in urban landscapes and beyond. But some logics of these are changing and they are becoming embedded within urban and non-urban landscapes.

What we are seeing today is a rise of these types of temporary and flexible forms of conversion, which do not involve material of physical alterations to the built form necessarily. Rather, conversions here refer to the change of use of an already-existing space from its original and intended use to a different one, and often one that is commercialised. This is why such conversions remain even more hidden in the urban landscape. It is also the reason why their analysis becomes so salient to planning scholarship: because the texture of conversions itself is changing even as they become more ubiquitous.
As illustrated by the case of Property guardianship and short-term letting, these conversions are enabled by the pervasiveness of digital platforms, by corporate and institutional alignments with for-profit motives of rent extraction, and by rapid real estate investment dynamics. The logics of these operations are also legitimated by multiple articulations of ‘needs’. Those who engage in these practices do so for a range of reasons, from finding additional and alternate sources of income when their own jobs may be precarious – as in the distinctions between ‘entrepreneurial’, ‘pragmatic’ and ‘coping’ Airbnb hosts proposed by Mermet (2022), to attempting to find affordable shelter in cities where this is difficult to come by. The companies themselves of course manipulate and profit from these exigencies, but how do we make sense of the new and emerging ways in which people undertake such practices? As Chiodelli (2021) asks, is the question of need only the remit of the poor? And how should planning theory address this?

These modes of conversions are the mechanisms through which different types of informalities from above are coming into being in the Global North. Governments are ambivalent about enforcing planning codes against conversions which function in these temporary ways. Certainly, within the context of London and England, governments are acting as handmaidens to these processes of rent extractivism. This should be a cause of concern to planners and planning theorists more generally concerned with questions of social justice. We are not seeing the creation of new kinds of affordable housing as we would have with older forms of conversions such as the like encouraged by Gellen (1982). Rather, these new kinds of conversions, being temporary as they are, go against that logic and is really only about rent-seeking activities and not about the support of those who are the most vulnerable.

Although the two cases that we present in this paper focus on London and England and appear qualitatively different to each other, our intention is to use them to draw attention to the ways in which conversions are becoming an important part of the landscape of informality in the Global North. As we note in this work, we push for thinking about conversion a dynamic process that is flexible, often reversible, driven by digital technologies such as sharing platforms and by corporate and institutional alignments in favour of rent extractivism.

Conclusions

We may be standing at the cusp of new forms of informality brought about by changes in housing. Informality has always been woven into the fabric of cities, whether in the so-called Global North or the Global South. Wrought through histories of migration, class and racial relations, practices of self-built, autonomous spaces, the landscape of informality has been rich and varied. However, what we see today is an increased influence of corporations into many of these practices, moulding them to their interests, creating new and novel forms of temporary and flexible conversions, which introduce informality to increase profit and decrease risk and responsibility for themselves. As a result, they are introducing novel challenges to regulations around housing and planning in many contexts and have brought about the possibility of creating new, and more insecure ways of inhabiting the city.
In this paper we have argued that conversions are one of the ways in which informal housing is emerging in the Global North, with a specific focus on the case of the UK. What we have shown is that conversions between different formal uses can create dwellings in non-residential spaces, without converting them into formally defined ‘housing’ until legally challenged to do so (as in the case of Property Guardianship). Meanwhile, platform short-term home-sharing impacts on housing provision through mechanisms that create informality by enabling the switching between dwelling and hospitality space. Many of these changes are not accompanied by physical modifications to structures, thus allowing them to remain hidden in the urban landscape whilst they become more pervasive as an urban practice. This stands in contrast to much of the literature on conversions that studies the production of physical extensions and remodelling of structures. Here, one has to be attentive to the role of regulation to understand how these new conversions are emerging. Limited or poorly enforced regulation, or de facto deregulatory shifts, are often driven by policies that promote entrepreneurship. In some of the cases discussed above in the English context, legal challenges force practices into specific use class categories, such as in the case of PG; in other cases, they result in frameworks that enable unlimited switching between uses, such as in short-term home-sharing. In our formulation, in both cases the conversion between commercial and residential uses is ‘flexible’ for property owners – and temporary for users - because it will continue taking place as long as it remains profitable.

Even though our case studies might be specific, both in terms of practices and locations, what we want to draw attention to are the structural conditions and socio-economic and technological shifts that lead to these conversions, both for those who make use of them to house themselves or generate income, and for the growing sector of intermediary companies. What might appear marginal and novel now, we argue, point to growing trends with potentially significant impacts on future planning practice. In our contribution to the debate on informality and planning in the Global North then, we continue shifting away from locating informalisation always in the realm of poverty, marginalisation, and dispossession, to incorporate a view from above: understanding the intersection of corporate intermediaries, lax state regulation/deregulation and digital technology pervasiveness, and how these intersections are increasingly and profoundly shaping ordinary life in contemporary cities. This ‘informalisation from above’ is testing the boundaries of planning frameworks and vocabularies. We argue that this is important to how planning scholarship can conceptualise urban and housing informality in the ‘North’, and how it is able, methodologically, to ‘see’ processes of informalisation. We hope that our intervention on conversions opens up conversations about these and other overlooked emerging forms of informality, and how they may impact on the future of planning and urban communities.

**Acknowledgements**

The authors would like to thank Nancy Holman, three anonymous reviewers and the editor for their very helpful feedback on this paper.
Declaration of conflicting interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

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Notes

1. ‘Appeal 1 - Global Guardians Management Ltd & Ors (Appellants) v London Borough of Hounslow & Ors (Respondents) Appeal 2 - Global 100 Ltd (Appellant) v Jimenez & Ors (Respondents)’ (UK Royal Courts of Justice, 2023)
2. ibid
5. For a report on this see: https://blogs.lse.ac.uk/progressingplanning/2022/01/04/convivial-platforms-an-analysis-of-home-sharing-platforms/
6. In Wales, the Renting Homes (Wales) Act 2016 has replaced AST with Standard Occupation Contracts since 2022.

References


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