

Where do we go from here?

Trends in development and planning post-COVID-19

With the restrictions now being eased on a phased basis, attention is turning to what the world will look like post-lockdown. Although this will vary across asset classes, CMS' northern planning practice has identified some key trends and issues likely to have a major effect on any economic recovery in the North of England.

Co-living and micro-living models may be called into question...

When the development sector stalled in March 2020, applications for co- and micro-living schemes were flying into local planning authorities. Inspired by key names such as WeLive and the Collective, it was the hot new asset class, appealing to community-focussed young professionals.



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...but traditional housing will come back into fashion

Continued distancing requirements will also impact the attractiveness of large city-centre apartment developments. The importance of high-quality housing has become even clearer since the lockdown; traditional low-rise housing with private gardens will be more popular, and applications to develop office-to-resi conversions are likely to decline.

How will this impact the viability and deliverability of residential developments, particularly with land for housing in short supply? Although the impact of COVID-19 on housing supply will undoubtedly be a material consideration in applications or appeals, we believe MHCLG need to make some more radical changes to the NPPF if the country is going to build itself out of the economic downturn through a boost to the housing market.

Green belt release will be key to housing delivery, and many applications will be decided on appeal given the continuing resistance to green belt development. This presents an opportunity for developers with available land to bring forward for windfall sites.

Later living and care sectors will continue to mature

These sectors have attracted considerable investment over the last 3-5 years and there is no reason to see this slow. However, media and public attention during the crisis has brought into sharp focus the need to build quality homes for those in later life, with enough space to reduce the risk of viral spread.

Given the historic lack of public funding for the care sector, opportunity exists for private sector developers to provide universally improved facilities for a key section of the population. We hope to see planning authorities recognise the need for good quality design and increased amenities in upcoming local plans.

Offices may never be the same again

With office workers more able to work from home than key worker counterparts, we are not expecting an immediate return to pre-lockdown office life. However, when employees do return to work office configuration immediately after lockdown may have a long-term effect on how they are built and used in future.

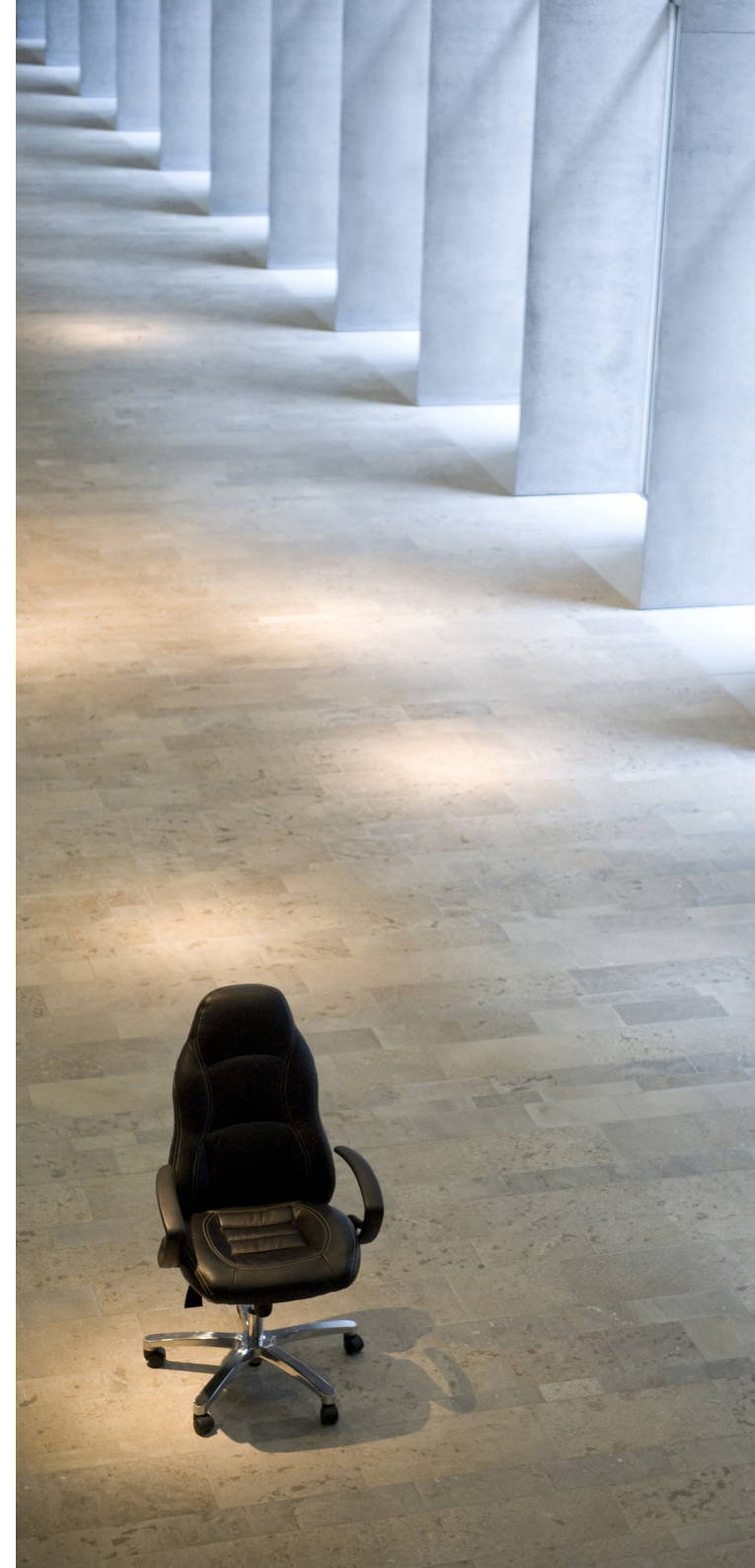
Co-working and hot-desking had become fashionable in recent years; the reduced required floorplate made them both economically and environmentally attractive. We now



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envisage a scenario where offices will become both larger and more technology-friendly, to safely house and transport separate teams and encourage digital collaboration. This will be played against the fact that home/flexible working will likely continue to be the first choice for many, and that there are valid public health concerns with hot-desking.

Workplace designers will need to consider carefully the changing physical, technical, emotional and psychological needs of their occupiers. ►



Lawful implementation will be the planning issue of the day

To help developers and investors take advantage of the opportunities identified, they will need to be able to implement planning permissions already secured or granted soon, to avoid them lapsing unnecessarily.

We are pleased to see forward-thinking approaches coming out of MHCLG and most local planning authorities, including allowing Section 106 obligations only to be satisfied on completion or occupation rather than implementation, delaying discharge of certain pre-commencement conditions, and taking a more flexible approach to enforcement. Whether the government will go further, by allowing permissions to be extended in time or to make significant changes to the CIL Regulations, remains to be seen.

However, these changes won't solve the problem of a pipeline of permissions which are technically implementable but commercially unviable. We hope to see a pragmatic approach taken by both planning authorities and those providing development finance. This will be crucial to allow developers to take advantage of the current flexibility in enforcement and amend their designs to meet new market needs.

What does this all mean for the North of England?

These issues will be exacerbated in the North because of viability concerns driven by the gap in land values and development returns compared to London and the South-East. However, the attractiveness of a shorter commute and more spacious living arrangements, coupled with the ability to work remotely from anywhere, have been highlighted throughout the COVID-19 crisis. We hope to see a continued migration to the North, with the associated demand for housing and leisure space.

Economic recovery will be key, particularly as we tend to rely more heavily on local independent businesses for our Northern cities to thrive. There are opportunities if we work together but, in the words of Barack Obama, "The world has changed, and we must change with it".



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