**TBP 171 Edited\_Transcription**

[Daniel Hill] (0:05 - 49:30)

Welcome to the Blueprint Podcast. In these episodes, I'm going to share with you my life's work boiled down into simple blueprints that I used to build a 10 million pound portfolio and retire with financial independence at the age of 35. You can listen to these podcasts in any order, and I guarantee you that when you execute them in practice, you will see that success and failure are both very predictable.

Let's get into the next blueprint. Over the last 20 years, I have started, systemized, scaled, bought and sold over 40 different companies, done tens of millions of pounds in deals, both in property and business. However, without a doubt, the single most lucrative strategy that I've used has been property development.

If you're serious about building a seven or eight figure net wealth and doing that in the property space, property development is going to be something you really want to consider. In this episode, what I'm going to take you through is how we can de-risk property development. One of the delays, the issues, the risks in property development is going through planning permission.

Planning permission can always be an uncertainty. There can always be things that are subjective, and it can always be the thing that's going to catch you out, slow you down, and ruin your scheme or plan. However, when you can use permitted developments, this gives you the opportunity to do developments without full planning permission, which fast tracks the progress, can maximize the return, and get you the schemes with seven and eight figure profits that you might not have got going through the normal planning process.

In this podcast, I'm going to take you through the exciting new announcements from the government's recent publications on how you can use permitted development to build seven and eight figure developments to make seven figure net profits in 2023. The existing permitted developments that are around have been around for a long time, and without a doubt, it's been one of the most lucrative strategies that I've personally used to do development. So, in 2015, I used B1 to C3 high density development schemes, and then most recently, when that ended, moved into MAPD developments when it came out in August 2021.

What's been announced over the last week is a number of new consultation points and plans that's going to introduce new permitted development to the property development space. And when you can understand how to use this, and you can do it quicker than anybody else, you'll be able to get first mover advantage. You'll be able to buy sites based more on the bricks and mortar value than the potential development value.

And before the other investors, developers, and agents and owners get an idea of what these sites could be worth, you can go in there, buy on face value, and really run away with it. So there's been some very exciting developments published recently. Now, we do need to appreciate that these are consultations.

So as with all government manifestos, plans, level up reports, they are subject to consultation, they are subject to actually coming about. But in this podcast, I'm going to take you through what they are, what they could be, where the opportunities might come up, and how you can make the most of them. So there's two main documents we're going to go through, and I'm basically just going to read through them and give you my narrative over the top of, you know, what I'm reading, what I'm seeing, what I'm thinking.

And the first is from the gov.co.uk or gov.uk website, called the long term plan for housing. And then the second is the new consultation that's been published specifically in and around the permitted development areas of residential, commercial, industrial and agricultural. So we're going to start off with the long plan for housing.

So what I'm going to do is I'm going to try to make this appeal to everybody. I'm not going to go into the intricate detail, but equally, I'm going to read some. And I'm going to give you my narrative over the top.

So there's key points that you can pick out as we go through it. So this was published on 24th of July, so about a week ago. And this is written by Michael Gove.

It's the long term plan for housing. And it's basically further plans that have been announced for regeneration in certain areas of the UK. So certain areas that are going to be developed, high growth initiatives that are going to be pushed into those areas.

And also within that, in both commercial and residential, how they're going to encourage basically development, investment, expansion, infrastructure in those areas. Now, some of this is not new. There was already 20 places listed in the previous level up manifesto.

If you're a property entrepreneur, you would have heard me talk about that previously. If you're not, you can easily Google it, go on the government's level up plan and look at the 20 regeneration areas that they published. There's three more being added.

And then they're trying to introduce additional things to encourage commercial development, infrastructure development, residential development, and basically grow certain areas in the UK. The long term plan for housing does focus unnecessarily in detail on only the three areas that are being added. But it's also got some sentiments about permitted development.

Then we're going to look at permitted development, see what's actually in there, what's the value, put it together and where are the deals going to be. So this is published 24th of July, 2023. And it's basically the government's plan to bring in this new era of regeneration, inner city, densification, and housing delivery across England.

Now, this is not new. It's part of the level up plan, part of the government's drive to create more infrastructure, more niche industry in the UK. But some of the stuff we're seeing within here, which includes permitted development, the first word that jumps out is densification.

If you've not already... I don't think I did it on podcast actually. When I talk about high density and development, specifically with permitted development, that is a game changer.

And this is what we've done since 2015. The schemes we're looking at at the moment, it's exactly how we optimise them. Taking full planning schemes, which need to adhere to unit split, one beds, two beds.

If they're under the current MA rule, 1500 square metres, optimise that scheme using minimum space standards, really increase the density. Now, under planning schemes, unless it's PBSA or PBPA, you wouldn't normally get that high density under the minimum space standards in C3 residential. However, there's definitely a drive here in it being encouraged, which is great.

And it's something we want to work with. So the level up report talks about the 20 different towns and cities that they're going to bring up, level up. And the three that are being added is Cambridge, central London, and then central Leeds.

And there's also follow up works, which are going to take place in Wolverhampton, and then one good for me, Sheffield. I think Sheffield has got huge potential. But I also think the city centre is holding it back and Meadowhall has distracted people from the high street.

So under some of these permitted development plans, it'll be good for Resi, but driving footfall demand work into the city, we've got to make sure that we get that. And then also Barrow and Thurness, powerhouse of the north. So Barrow and Thurness is where BAE engineering, where basically they make all the, a lot of the government's military equipment.

They make the submarines up there. I actually looked at doing development of about 120 flats up there about eight years ago. But the only reason I didn't was because Barrow and Thurness is basically all around BAE.

And I forget what the submarine was called. But the contract was up for renewal in three years. If they didn't get it, the whole area would basically be defunct.

So it's quite a high risk strategy. They're now talking here about including Barrow and Thurness and driving on the tech and the industry that's already up there, making that the new powerhouse of the north, which would be great news because it's very isolated if any of you are familiar with the area. £800 million has been allocated from a £1.5 billion brownfield infrastructure and land fund. And the aim of the game there is to unlock 56,000 new homes in brownfield size, which would be great. And then there's also £150 million going into Greater Manchester and £100 million into the West Midlands. And as we go into the permitted development areas, there's development initiatives in and around those as well, which is going to help really, really well.

So the 20 new places, some of this funding, there's going to be 24, some of this funding relies on the planning system loosening up. And within that, they've committed £13.5 million to create this group of people called the Super Squad. And the Super Squad is basically a group of specialists who can help push through large scale developments.

So when you get these large scale developments that could take, in some cases, over a decade to develop, bring this Super Squad in, work on these big development schemes. And for most of you listening to this, that probably is not going to help you directly. But indirectly, when you get those big schemes through, obviously your secondary areas are then going to be developed.

So if they're bringing in brownfield sites, out of city sites, but they've got a 10 year, if you've ever seen these big purpose built new build schemes, 10 year plan to develop X, you know that that's going to push up values in the surrounding areas. And you can just tag on to those secondary areas around the outside. The North is looking at being a tech capital.

Cambridge is one of the areas being selected. They're talking about making it a science capital, which is good news. I'm doing a presentation on Friday on Property Entrepreneur about some of the benefits in the UK at the moment.

There's a lot of negatives about the UK economy. Lots of people heading overseas, lots of millionaires leaving the country, productivity reducing, the UK workforce being sloppy, lazy, just lethargic. And there's also some good things which include science, they include tech, and they include AI.

So that's, you know, that sounds pretty encouraging. And also there's going to be a big push on land value. So if they're going to start releasing more land sites, it's understanding where those are going to be.

And then the government aren't, you know, aren't oblivious to the fact there's going to be huge value add there. And they're going to put some initiatives in place to try and balance the books between the guys selling, you know, they should command the premium, but also the developers coming in and being able to buy an incentivized rate because those lands, you know, an acreage of whatever agricultural land is, when it jumps from being agricultural to development, you know, there's a big step up there. And they're looking at putting some initiatives and indications in place to support with that.

A lot of that is about sort of detail you don't need to worry about hugely. If you're based in London, there's a big vision for Docklands 2.0, East London, which is going to be up to 65,000 homes. And the London market, you know, commercial and residential doesn't seem to be absolutely booming at the moment.

So it's probably leading the way with the drop. But then in the same way as leading with a drop, it may well lead as the first mover to pick back up. So if you are invested down and you play in the London market, there's definitely some initiatives down there.

Up in the sort of more West Yorkshire, North Wales, Central Leeds, they're looking at regenerating the city further, really driving in the financial, digital and legal sectors, and also trying to loosen it up a bit to get more resi in there. So lots of opportunities there being considered. Trying to remove a lot of the barriers for key housing growths, specifically in what they call like the city rim outside of the city so that they can get more people there, more workers there, keep the balance of commercial against residential.

And within that, they want to build up to 20,000 houses. Baron Furness talks about that. 800 million from the 1.5 billion brownfield sites, unlocking those 56,000 homes, and then potentially touching on Sheffield talks about that as well. So one thing here talking about building up and building out. This is one of the sort of government's mantras is building up and building out across the country. We've got these 23 areas now that are being invested in.

But some of the other things that they're looking at is how to develop residential property in high demand regions with densification done in the right way, as this will transform the opportunities available to people across the country. You take that sort of initiative coupled with cost of living, the ability for people to buy houses, density of residential or density of people, especially in and around city centres can become quite appealing. You go to the extreme of places like Singapore, where it's so densely populated and people are living in the sort of tiniest apartments that exist.

We're nowhere near that, but we're heading in that direction where we start to appreciate that densification is a good thing. We've been doing high density development since 2015. And for me, this is a really encouraging thing to see.

One of the other things which we'll talk about when we get to permitted development is what they're starting to call design codes. And when you're doing permitted development, some of it has very limited restriction on it, which is great. However, some of it has subjective elements like design, appearance, scheme, and this can really slow things down.

So I've got some schemes going through at the moment. One that's been completely thrown out based on design, which is about putting two storeys of airspace on a 30,000 square foot office block that I own. And that was thrown out because of the subjective matters.

Essentially, what they're looking at doing is introducing design codes. And the aim of the game here is to enable developers like ourselves to look at developments, whether they're a new build, whether they're conversion, especially under permitted development to extend the volume of permitted development schemes that are available without having subjective. Because when you start to make it subjective, you can say, yeah, it's PD to demolish a building, then rebuild it, or it's PD to put airspace on top of an existing purpose built office block.

But the problem is, it is permitted development, but it's subjective. It's subject to design. And the thing with it being design is design subjective.

Who makes the decision? What does it look like? Who makes the decision?

Is it suitable? So looking at extending that and making a design code that would enable more businesses to expand, more houses to be developed, more permitted development on both residential and commercial to progress, which is obviously really encouraging. $24 million put towards clearing this planning backlog.

I saw a graph the other day of the time it's taken to get planning through. And if you imagine a linear line from top left to bottom right, that was where it's gone. Year by year, it's just gone down and down and down.

We've been in planning for a year in various capacities for our most recent scheme. And that really slows things down and makes development less appealing. All of this sounds great.

We just need to, this is consultation. It's the government saying they're going to do stuff. It's not new to have announcements like this.

We just need to see it actually pushed through. And then better use should be made of small pockets of brownfield land by being more permissive. So more houses can be built more quickly where and how it makes sense, giving more confidence and certainty to SME builders and small developers.

Great. Sounds good. Sounds very encouraging.

So that's the general sentiment. Growing these sort of 23 cities, investing in infrastructure, commercial and resi, and basically get more residential in and around 670, increasing densification so we can get more people into a smaller area, which is really good, and then loosening up permitted development so people can do development. There's less subjectivity to it.

And where they've got to go for full planning, loosening up some land and making more space available. When we get specifically into this most recent report, which is the consultations, that's the long-term plan for housing. This is the actual consultation.

This is the consultation on additional flexibilities to support housing delivery, the agricultural sector, businesses, high streets, open prisons, and a call for evidence on nature-based solutions, farm efficiencies, products and diversifications. Now, this is a 75-page document, sorry, 51-page document. And to save your sanity and mine, I'm not going to go into all the unnecessary detail.

I'm also not going to go into things like how to use PD to extend open prisons. I'm also not going to go into how to change a pig shed into a cow shed. I'm going to focus specifically on the mass appeal strategies that we use, which include permitted development, commercial buildings, and residential.

So I'll read this. So the topic of consultation. A consultation basically means when the government have an intention to do something, they put it out to consultation, they get comment, they get feedback, and then they may progress through the motions to do it.

It's the current stage that the tenant reform bill is loosely going through. It's one of the phases to sort of move this thing forward. So this consultation contains proposed, you have to apologize, I have to apologize, my reading age is about 12.

So I'm going to try and do the best job having read this a few times. The topic of this consultation is it basically contains changes to the town and county planning general permitted development order. So the GPDO, which is basically the permitted development that we can use in England.

And what it is, is it lists out six different points. The first is changes to certain permitted development rights that allow the change of use into dwelling houses. It's what we're very interested in, changing property into residential houses.

Changes to existing permitted development rights that allow agricultural diversification and development on agricultural units. Diversification we're not hugely interested in, but the Q agricultural permitted development right into C3 is always something of interest. So I'm getting increasingly interested in permitted development rights that allow for non-domestic extensions and the erection of new industrial and warehouse buildings.

I'm not going to go into huge detail on that, but just to make you aware, there are some additional PDs of where you can extend existing buildings. Now, some of that does apply to Resi if you're doing a Resi development, which is great, but it has to have had existing building there. It's basically the same width as the existing building and four meters depth.

But there's also, if you're into commercial and warehousing, there's also some existing PD that's being extended. So it's how far out you can extend on existing commercial building. Couple that with some of the other PDs that exist around commercial to Resi, could work really nicely for you.

Changes to permitted development right that allows temporary use of land to allow markets to operate for days. I'm not going to go through that. And then permitted development right that allow for the erection, extension or alteration of schools, colleges, universities, hospitals, closed prisons and apply to open prisons.

I'm not going to go into that. And then the application of local design codes to contain permitted development rights. We are going to go into that.

That's what I talked about earlier. A design code which says if you build a house, for me, it would be like airspace. If you build a house that meets these criteria, then you can do it without full planning or subjective prior notification.

You can just do it regardless. And where you got subjective things like what's the rule for how high airspace can go? Is it a certain amount of floors?

Is it equal to next door? Is it equal to the highest building within a mile radius? They're all the subjective elements.

So it's like if we can get pinned down, what all those mean? It means we can just open up the field of PD. And for those of you that understand this first, you will go out and you will absolutely clear up.

This is what I did with B1 to C3 from 2015 when it's first announced buying schemes on a Resi on a commercial square foot basis. Let's say 30 to 40 pounds a square foot, developing it into Resi and then going out and absolutely killing it. If you're not, the one that we're using at the minute is MAPD to C3.

If you've not already done our deals, deals, deals training, you can go to www.dealsdealsdeals.co.uk. It's 500 pounds. It's the recorded training we did. It's half a day.

You get the deal appraisals, the resources, the workbook, the recording. And it takes you through how we've made millions of pounds doing high density build to rent schemes in conversion and how you can do the same using the new Class A MAPD, which is an absolute, absolute game changer. And if you understand how to do that, and then this comes in, you can already make seven figure profits using that training.

This just then turbo charges it and takes it to the next level. Jumping in quickly with a no brainer, potential 100 times return on investment opportunity for you. If you're an experienced investor and you're looking to go from property refurbs and conversions into smaller, medium sized developments to create seven figure equity and six figure incomes, the recording of our deals, deals, deals, half day training workshop is now available to purchase online.

For the comfort of your own home and in your own time, you can learn the unique and proven blueprint that I've personally used to create multiple seven figures in equity and six figure incomes using the unique build to lease development strategy. It's the full training, all resources, the deal appraisal spreadsheet that I've personally used to complete on over 10 million pounds worth of deals is all available and included in the pack. Turn 500 pounds into 500,000 in less than 12 months now by purchasing your training program online at www.buildtolease.co.uk back to the podcast. So we're going to do is go through this. And what we're talking about in this is we're seeking views, which means that in consultation on proposed changes to a number of permitted development rights that allow certain existing buildings to change to residential use. Absolutely what we want.

And it also includes the change of use of buildings within the commercial business and service use class and agricultural buildings to dwell in houses. That's what we're interested in. What's going on in commercial?

What can we do with our commercial buildings? What resi can we add to our commercial buildings? What commercial, industrial and agricultural buildings can we convert into resi?

And what of those can we do under permitted development? This is where it starts to get pretty exciting, pretty sexy and very, very lucrative. So introduction, basically the government saying they understand that the planning system is not efficient, it's not effective, and they want it to be responsive and effective to deliver well-designed developments.

Permitted developments are the freedom to allow other developers to basically convert properties without a full planning process because they know the planning process is an absolute mess. The existing permitted development rights are set out in the town and county planning permitted development, England order 2015. You can get that and you can read it and it'll show you all the different permitted developments that already exist.

However, some have size limits, are excluded in certain protected areas like conservation areas, areas of natural beauty, or allow for local consideration or specified planning matters through the prior approval process, which basically means the local council can still throw it out for anything subjective like design and it doesn't have the desired result of getting it through. And that's one of the challenges we've got on one of our sites at the moment. We want to support development using permitted development.

Over 94,000 houses over the last seven years were developed using permitted development, and that's 6% of all housing supply that was delivered in that period was through permitted development. And it's quicker, it's faster, it's easier, it's lower risk. I find it more lucrative.

It's just an absolute game changer. If you're not already doing this stuff and you want to be making, you want to be doing seven and eight figure developments and making seven figure profits, you know, this is the game you want to play. And then also in consultation is to seek the views on the application of local design codes.

So it's talking about these design codes and creating these design codes to open up permitted development a bit more and reduce the subject matter. So to start off with that, the design code element basically is the long and short of it is to introduce for both full planning and permitted development, a set of rules for design, which would give developers more comfort and confidence in what can be developed. So where we used to use B1 to C3, it would say, if you adhere to these five points, you are granted the development.

So I used to buy sites cash, unconditional, in some cases without even seeing them, just because I knew the price per square foot, I knew the location, the scheme would adhere to these X amount of criteria. To me, it was like very, very low risk. The risk was basically in the in the build and the exit rather than the actual planning and the scheme.

This is starting to try and introduce more of that. So developers can go into schemes, into sites, have more confidence about what's going to be accepted, and they don't have to go in there, cross their fingers and hope that the planner is having a having a good day or that they like the color of the curtains. That's basically what the design plan is.

As far as the housing delivery goes, which is what we're really interested in, there's a few sort of key adjustments. So supporting housing delivery through the change of permitted development rights. So basically, what they're acknowledging here is when we're looking at commercial is they're acknowledging here that there's been significant changes to the use of commercial.

So city centers now are struggling against online and retail parks. The footfall to city centers is reducing. You'll see that Wilkinson's is likely to go bust in the next couple of weeks because they just haven't kept up the market.

The leases are too high. They're locked into leases they can't release. They haven't competed with the people like B&M and bargain home stores who are now located in out of town retail parks.

And that's a good example of the old school against the new school. It's just not what it used to be. Shopping centers are obviously the same.

So what they're looking at here is how can we bring in more residential uses to use that excess stock, which will not only reduce the amount of void areas, but also bring people, bring footfall, bring activity and revenue back to the city center. So one way here is to use commercial business and service to convert it into dwelling houses. And this is the class MAPD that I've been sort of raving about for the last 12 months.

We bought our first site in December 2021, completed on a middle of 2022, had it for a year. Class MAPD, so MAPermitted Development is basically going from the E class to C3. The old one used to be B1 to C3, which was specifically office blocks.

Now we've got the grouped E class, which includes things like light industrial offices. You can move between those classes in E class, which is great if you're in that space. But for developers, we're looking more at the E class to C3 development.

Now there's two considerations that make this scheme or this permitted development quite challenging. The first is that, not this a bad thing, you can only go up to 1500 square meters. So 1500 square meters is about 16,000 square foot.

And it says here that would allow you to do up to about 22 bed houses. Or two bed apartments. Now, obviously, as developers, well, it depends what you're doing.

But if you're doing build to rent and you're doing high density like we are, we want to optimize that scheme. And the good thing about permitted development already without these extensions that are going through consultation is you don't have to adhere to all of the full planning considerations, which might be parking, which might be the balance of the unit split between one beds and two beds. So actually all of the schemes we've done today, well, not all of them, probably 85% of them, we've done one bed apartments, one bed, high density, in many cases, no parking, gone for that maximum density to ramp up the rent, ramp up the GDV.

And as a developer, it's a really, really lucrative way to play it. Obviously, they're not talking about that here. They're not promoting that here, although they have alluded to high density.

But that's the basic logic is you can develop 15, 16,000 square foot. That would give you about 22 bed homes. However, if you're a developer and you pull that back, a one bed apartment would be, say, 37 square meters.

Let's say worst case, let's say we were going to develop 16,000 square foot. So I bought a site, a man core house, which I bought is 30,000 square foot. So one problem was that it's twice the size of the allowance for PD.

So I was going to split the site, do half, the other half is a light industrial factory, and then potentially come back for the other half in a few years. And however, in here, they're talking about expanding that. But at the minute, it's a limitation.

But let's say you had 16, 1500 square meters is about 16,000 square foot. What if that is doing me is 1500 square meters. The minimum space size is 37 square meters for one bed.

Let's say that we can use 85% of the build building to develop. The other 15% is circulation, corridors, things like that. Times that by 85%, that would give us 1,275 square foot to develop.

Divide that by, let's say each unit is 37, let's knock a bit off, be sort of conservative, let's say 40. That would allow you to develop 31 one bed apartments. They're obviously talking about 22 beds here.

So that would make a big difference on your GDV and your rent per square foot. That's with the existing PD that you can use now. If you're not already completed the MA to PD permitted development online training that we did, we did a half day training.

It's available on the recordings available online. On there, we shared the blueprint, the five step process, the resources to use, how to source, how to stack, how to the strategy used to develop, how to finance, how to exit. I share the developments that I've done that have made multiple seven figures in profit, how I source them, development, what the numbers were behind the scenes, and also the resources, the workbook and the appraisal calculator, the actual calculator that I use to do over £10 million worth of development.

All of that's yours for £500 plus VAT. So go to www.dealsdealsdeals.co.uk and you can secure yourself that half day. Watch it on demand.

It's all recorded. It will show you how to do this strategy in practice. Before the consultation is even agreed.

If however, it is agreed, the two considerations that they're going to adjust, the first is that the 1500 square meters might be included to increase the 3000 square meters or more even be scrapped altogether. In which case, fantastic, happy days off to the races. You know, that's going back to the B1 to C3 days where there was ginormous schemes of hundreds of apartments being done.

That would be very, very nice. But also there's a vacancy requirement at the moment that the building has to be empty for three months. Now, that's unappealing.

If you want to kick your tenants out to put your PD prior notification application in, it's also the logic was that they didn't want to kick people out to, they didn't want existing commercial that was working well to kick everyone out and then develop into resi. So basically, if it was already empty, you could develop it or you have to take the risk, kick them out and then put your application in after it's been empty for three months. The government are now acknowledging that that slows things down.

It might create restrictions. It might turn people off. Absolutely.

So now they're talking about actually potentially scrapping that and also having the, in fact, they talk about it later on, a two-month, in fact, a slightly different. There's a two-month, I'm sorry, two-year established use to be, which is apparently already included with MA, but it's being added to another planning, prior notification planning approval, permit development, which I'll share with you. So get rid of the three-month void rule, which would be a game changer and going from 1,500 square meters to potentially 3,000 or unlimited.

Absolutely no-brainer if they get it through. This is already very lucrative as it is. These things would just turbocharge it.

And obviously the benefit for you is do a few of these deals now, cut your teeth, get ready, understand how it works. And then when these restrictions are released, you're already in that level and you can go up to the next level where nobody else is. When all of those bigger sites start to get released, it'll be absolute, yeah, absolutely record breaker.

Other thing is that land's been included with a lot of these. They're talking about including other levels of land, which is like we talked about earlier, areas of natural beauty, conservation areas, world heritage sites, national parks, wildlife, the broads, et cetera, et cetera, et cetera. Talking about adding that in.

And that's it. So for MA, E-class to C3 will be an absolute game changer. They're looking at also in consultation at the moment, bringing in some more buildings into that permitted development.

So that is at the minute E-class to C3. They're looking at now introducing C1 to C3, which would be great. So you've seen some developments done in recent years, hotels converted, guest house converted, B&B converted.

Lots of that sector is tired, it's dated. The baby boomers used to love the B&Bs. They've run them through one or two generations.

They're dated, they're old. Maybe the building's no longer fit for purpose. What they're looking at doing now is actually bringing in hotels, boarding houses, and guest house, which is the C1 hotel class into permitted development, which would allow you to develop that into C3 as a new permitted development right, which would be absolutely game changing.

Another one is expanding an existing one. So class M and class N, both of part three permitted development are looking at extending those. So at the moment, these are the sort of tiddlers, you know, the small deals you can do where you can put two apartments above a commercial building.

I believe we've not actually done these. These are a little bit small for us, but this is a great opportunity for those of you that are moving from HMOs into small developments, where above some buildings, and let me just check what it is, two development rights, M and N, allow other high street and town centre uses to change use to residential. Class M allows the change of use of hot food takeaways, betting offices, payday loan shops, and laundrettes to dwelling houses.

In fact, we have done those. We did a laundrette to C3, then PD from C3 to C4, and then actually C4 to C genera, so the seven-bed HMO. And Class N allows the use of immune arcades and centres and casinos into dwelling houses.

So at the moment, this, both rights are longstanding, are subject to floor space limits, which allows 150 square metres to be converted into residential, which I believe is about 1,500 square foot. So at the moment, you can do 150 square metres, which is 1,500 square foot, you know, get two or three apartments in there into residential. Oh no, this is the uppers.

Yeah, so you've got to retain the commercial on the ground floor. And there's talk at the minute of potentially doubling that to 30 square metres, which would be 3,000 square foot, which, you know, would get you, start to get you some really good, if you're doing 4,400 square foot sites, start to get you more buildings in there. So potentially doubling it.

And this is going to be, there will be some of them in your town centres, but especially those sort of tertiary, secondary, what do you call them? Not arcade types, but the rows of commercial buildings that you see in secondary villages and out of town sort of areas. Also looking at bringing the land in from the conservation area to bring that into practice, which is great.

There's also an extension here talking about doubling the size. So this one could be, again, it's going to be those smaller deals, but again, it could be something really suitable for those of you that are moving into the bigger sites. This'd be a nice step change from doing basic C3 houses or refurbs or HMOs.

And this is going above the commercial houses, above the commercial buildings. So commercial business and service, betting office or payday loan shops to mixed residential. So again, this is those mixed schemes.

This is class G, this one, if you want to read up on that. And it says, this long-standing permitted development right allows the change of use of the space above a wide range of uses to provide new homes. This applies to commercial business and service, which is all of class E, as well as the betting offices, betting offices and payday loan shops.

It allows the use, and it currently allows change of use to mixed use up to two flats. And what they're looking at now is similar to MAPD, basically doubling that. So if it's capped at the moment at two apartments, they're looking at increasing that to four apartments, which could start to develop some really great schemes for rental.

Equally, if you're in the sort of higher capital growth areas, sort of South of Northampton, Milton Keynes, where you're going to get that capital growth, could give you a really good uplift on the commercial value. That's the long and short of it. So they're increasing that one.

For the bigger developers listening to this, agricultural building, which I already think is a fantastic opportunity, which is class Q. So class Q is your agricultural buildings into residential. I'm looking at this personally for myself for my own residential house.

They're also looking at extending this further, but also quite significantly. So at the minute, this allows the conversion of buildings on agricultural land to be converted using class Q from, it was originally introduced in 2014, extended in 2018 to encourage the number of homes permitted to try and encourage the development of smaller homes in rural areas. But however, it's subject to certain conditions, limitations, and also the type of agricultural buildings that can benefit from the right, the maximum size and the number of dwelling houses.

So very similar to MAPD, which is E class to C3, where there's restrictions. And this is the same for the agricultural buildings. What they're looking at doing here is basically increasing the size.

So at the moment, you're allowed to do up to three homes, no greater than 100 square meters with an overall floor space of no more than 465 square meters. But what they're looking at doing now is extending it quite significantly. And they're looking at introducing a maximum floor space of either 100 or 150 square meters per home, which is significant.

Also looking to increase the number of homes that can be delivered on a site. So for those of you that are doing new build developments and actually trying to get a new build development under PD using agricultural could be very attractive because a lot of these, although you might think of permitted development being like a conversion scheme and like barn conversions would be brick built, that is more of a conversion. But if you think about some of these larger agricultural buildings that are like, think about the steel frame sheds that hold bales of hay.

Really, that's going to be pretty much a new build. You're just using the cubic space to play the game on the PD using this class basically. They're now looking at increasing those units from five to 10, which for individual dwellings is huge.

And then also an overall maximum of a thousand square meter floor space changing use. But that would include any previously developed. But a thousand square meters, you're looking at significant developments under this.

So basically it would allow up to 10 houses of various sizes up to 150 square meters. So 10 homes can be developed such as a mix of six, three bed homes and four bed homes, which for a new build scheme is, for those of you in that middle ground, more than a house on a garden, but less than 50 houses. This would be a real sweet spot that allow you to build those out.

And so that's going to be a game changer. And then also within the existing buildings for those of you doing conversions, they're talking about allowing you to increase the size of the extension. So at the minute, and the permit development right does not allow for any increase to the external dimensions of the original building.

But what they're saying now is if there's an existing building there, you can do a PD extension like you can on a residential home. So we're proposing here that the extensions would need to be sorted on the rear of the original agricultural building with a maximum depth going out of four meters, single story in height, but could extend to the entire width of the existing rear elevation, but would only be permitted where the land has previously been developed. So there's something already there.

But that's gonna, again, that's just the cherry on top for that really. On the agricultural use, similar to the class MAPD where, and this is where I got stung on one of mine, where it had to be, you know, the planners have told me on one of mine that I have to prove 10 years established use in order to use MAPD in, I forget if it's this one. In fact, I think it's actually in one of the other ones.

They're looking at introducing the two year role in terms. You've got to prove that it's been for the last two years used. Similar to that in agriculture, if it's not being used as agriculture, it's being used as maybe storage or offices.

It removes the out of class queue, which means it can't be developed under permitted development. What they're talking about here is you can now bring them back in. So if they're being used for offices, they're being used, they're being hired out for storage.

They're looking at potentially allowing them to be included within this, which just loosens it up, makes a lot more sites more viable, stops you from getting caught in technicalities. And similar to Manko House, one of mine, where they said they want 10 years established use, or in this case, agricultural use. If you can have two year role in period, which they're looking at introducing to, I think I actually missed that one off.

So class M and N are looking at potentially introducing this two year role in period, which it says here mirrors the approach currently taken in the permitted development right for the change of use from commercial business and services, which is class M, A of part three. Now, mine's been thrown out of the base. This is the whole thing about don't trust the professionals, don't trust the experts, don't trust the planners.

Those people you're bringing in, the planning consultant, the planning department, you need to know more about this stuff than they do. And I didn't actually know that MAPD had a two year role in period for the prior approval. So the council have actually thrown mine out on the basis that they say, I've got to show 10 years established use.

On as E-class. Now, if you walk around it, you'd know it's E-class. It's offices, it's light industrial.

It's a ginormous office block, basically. But because in the fifties, when it was built, it's got a planning permission for a factory, which is what it used to be, a clothing factory back in the day. They're throwing out, so I've got to prove 10 years proof.

Well, now, because I wasted a year, paid £120,000 in idiot tax, I'm now re-tenanting it. That would actually give me two years because I'm going to do a full plan application for 88 apartments, including two storeys of airspace. If I don't get that, what I am going to have is two years of established use on a rolling basis.

And it, which would allow me to then develop under MAPD. And I can just challenge the planners with this. And if that gets turbocharged in this period, to then have no three month vacant possession, vacant period, and no 1500 metre cap, I could end up getting 30, best case scenario, that's 32,000 square foot of development all under MAPD without even kicking the tenants out.

Win, win, win. You know, it's all about playing the game. There's looking at doing the same for agricultural under Class Q, which is basically, if it's been used for other uses, you can bring that back into use under that clause.

So basically that's it. There are other bits and pieces in here about change other commercial units, other commercial uses that can go between class. And there is other things in here about the niche sectors that I talked about, like prisons, schools, hospitals.

There's lots of areas in actual beauty specifics. There's lots of other stuff in there, but for the developers listening to this, they're the key considerations. So Class Q and Class MA are going to become more expansive, potentially.

If this gets passed, they're going to become less restrictive, which is fantastic. And if they bring in the design code, it makes a lot of the additions that go to that, like Class AB, which might be, or AA, which would be airspace, a lot easier to do. And in addition, for those of you doing the smaller units and there's extensions to those being considered, which would allow you to not do two apartments, but do four and potentially introduce things like extensions, et cetera, out the back.

Potentially game changing stuff in there. All very encouraging. Currently in consultation.

So we need to wait for them to go through the motions and see when they're going to actually pass it. And the duration is that this will run till the 25th of September. So if it's going to be passed, it's going to be sort of ending this year, beginning the next, which will be very encouraging.

It doesn't matter where you are at the moment. A lot of those permitted developments already exist. So go out there, put them into practice, start doing some deals.

And then when this does come in, you'll get a first mover advantage. You'll get ahead of the market. You'll get all of those massive margins that we saw when B1 to C3 came in back in.

I forget when it was. We started doing it in 2015 and you can absolutely clean up if you're not already doing developments and you want to move into doing MAPD. Like I said, go to www.dealsdealsdeals.co.uk. There's a half day online. Watch it on whenever you're ready. Demand training. It's got everything you need.

Shows the deals that I've done to do over £10 million worth of development. Shows the scheme we use, how to source them, the strategy, how to stack them, the appraisal calculator that I've used to do over £10 million worth of deals. And you can have all of that for £500 plus VAT.

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And I wish you the best of luck putting into practice. And I will see you on the next podcast. I hope you enjoyed this Blueprint podcast episode.

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