



Rooftop Extensions:
A new and exciting opportunity
to deliver housing

INTRODUCTION

We are embracing a new and exciting opportunity with E & J Capital to deliver rooftop apartment living in Cities across the UK.

We believe there is a huge opportunity for the creation of new homes through development of underused rooftop space in existing residential locations. We have researched potential locations for the delivery of rooftop development suitable for consideration, as well as the associated considerations of planning, design, sustainability and construction.

CONSULTATION ON UPWARD EXTENSION IN LONDON

Three options were presented in A recent consultation paper in order to enable greater housing delivery through rooftop extensions in London, not necessarily mutually exclusive:

- Permitted Development (PD) rights for additional storeys in London;
- Local Development Orders (LDOs) for additional storeys in specific areas; and
- The support for upward extension through policy in the London Plan.

All three options present significant opportunities for increasing housing supply subject to local considerations. However, the permitted development for rooftop extensions will only apply if such buildings are already situated next to taller structures.

GOVERNMENT RESPONSE

“We welcome the support for the principle of upward extensions to existing premises to provide more homes in London. The responses have confirmed that there is potential to deliver more homes by increasing densities on brownfield land. It is clear that building up has a role to play in meeting the need for new homes across the country, not just in London, and the Housing White Paper proposes a package of measures to support building at higher densities and using land more efficiently for development. Our intention is therefore to take forward the policy option through the National Planning Policy Framework to support the delivery of additional homes by building up.”

BACKGROUND

The issue of an undersupply of new homes, twinned with an increasing challenge of affordability provides a real challenge for all involved in determining the how and what of new supply. Recent evidence has shown that a high level of unused roof space could be translated into new homes, particularly in London and larger cities, with some of this space being owned by local authorities.

Around 49,000 new homes are required every year in London over the next two decades although some sources refer to the need for up to 60,000 homes per annum. The Government's focus is very much on brownfield land to deliver housing, but there is wide recognition that more varied and innovative methods of delivering housing need to be considered, as the ever mounting pressure increases. More creative and lateral thinking needs to be applied to how we can increase the supply of housing. Rooftop development is recognised as one of many innovative housing solutions that can contribute to the delivery of more homes. It is not the solution but one of many allowing new entrants into the market to deliver housing. Currently, only 2% of new homes per year in London come about as a result of an element of 'upward extension'. Following the recent planning policy consultations on rooftop development, now is the time to seriously consider both the potential of this type of development in further detail, alongside the technical constraints that will need to be overcome, to realise more of this type of development on a far greater scale.

An additional 630,000 residential homes could be supported across London, by adding additional homes above municipal buildings.

It is recognised that rooftop development is not an opportunity without obstacles. As with brownfield development sites, rooftop 'sites' have various complex and challenging constraints that need to be overcome to realise this kind of development.

TYPICAL PLANNING CONSIDERATIONS

A range of material planning considerations are likely to apply and we consider these to be the following:

- Conservation Areas & Listed Buildings
- Design Standards
- Public Transport Accessibility
- Car Parking
- Supportive Spatial Planning Policy Designations
- Other Restrictive Spatial Planning Policy Designations
- Existing Uses
- Space Standards
- Private Open Space Requirements
- Sustainability
- Section 106 & Community Infrastructure Levy

THE DEVELOPMENT PROCESS

The development process is not dissimilar to a typical development process. The process begins with identification of a potential rooftop site, and negotiations with the relevant site owner(s). The initial design process terminates in gaining a planning consent. Following this a prefabricated module can be transported and installed on site within a matter of a week.

STRATEGIC & FINANCIAL BENEFITS

Strategic

- Delivery of much needed new homes supply to meet housing needs
- Enhancing asset value and use of existing properties
- Innovative – use of offsite homes manufacture to speed delivery and reduce disruption to occupants
- Green – potential opportunity for use of renewable energies to reduce energy consumption

Financial

- Creation of a significant windfall payment for freeholder, linked to market value of the new apartments
- Reduction in maintenance burden for freeholders/leaseholders
- Improvement in the kerb appeal of properties through associated improvements to façade and elevations

OUR APPROACH

We have agreements in principle with E & J Capital who have 1,800 assets across the UK in the form of the freehold of accessed, unused roof space.

The initial strategy and focus will be as follows:

- London locations
- High value sales areas
- Carefully selected schemes based on construction, planning and end sales values
- Dedicated local teams to be recruited with a Project Manager to oversee delivery

EXAMPLE SCHEME

- Hoxton Wharf, Islington, London
- 30 apartments over 3 additional floors
- High value, high demand area
- Total sales: £14.4m, Nil Purchase cost, Build Cost: £5.4m, Gross Profit: £9m

TYPICAL SCHEME TIMEFRAME

	Typical Rooftop Scheme	TERM 310 days
STAGE 1	Scheme appraisal	10 days
STAGE 2	Pre-app planning	40 days
STAGE 3	Prep for planning	50 days
	Site specific planning reports	25 days
STAGE 4	Planning submission	1 day
	Local authority planning period (major project)	65 days
STAGE 5	S106 negotiation	15 days
STAGE 6	Planning approval	1 day
	Judicial review	30 days
	Submit planning conditions info	20 days
	Discharge of planning conditions	40 days
	Contractor agreement	30 days
STAGE 7	Sign Contractor agreement	1 day
	Contractor design	20 days
STAGE 8	Design warranty checks	2 days
STAGE 9	Contractors procurement	40 days
STAGE 10	Contractor offsite	45 days
	Offsite construction warranty checks	45 days
	Building control various stage sign offs	45 days
STAGE 11	Contractor onsite	40 days
STAGE 12	Onsite construction warranty checks	30 days
	Building control various stage sign offs	30 days
	Discharge of remaining planning conditions	30 days
STAGE 13	Issue of 10 year warranty	5 days
	Building control sign off	5 days