

Industry insights

High Street demise creates housing opportunity

REPURPOSED RETAIL PREMISES SET TO HELP EASE HOUSING CRISIS

As we head towards the anniversary of the first lockdown it's hard to escape the ongoing social and economic impact of Covid-19. From a commercial perspective you only have to step outside to see real life examples. The empty, non-viable retail units now lining our high streets are a case in point.

Retail has been hit hard with big names and small family businesses going to the wall on a weekly basis over the last 12 months. Empty shop units are now commonplace the length and breadth of the country but what new opportunities are being created from this situation? Could this redundant space be harnessed to ease the UK's housing shortage and provide new mortgage opportunities?

THE BACKGROUND

Over 11,000 chain store outlets shut between January and June 2020, according to research by the Local Data Company and accountancy firm PwC.

You will recall that the sustainability of the sector was put under increased pressure from March when the first lockdown was introduced and only 'essential' shops could remain open.

The same research found that York was the worst affected area, with a net loss of 55 outlets. Harpenden, in Hertfordshire, where our Society is based, interestingly bucked the overall negative trend and fared better with a net increase in stores. Although we are a locally based building society we serve brokers across the entire UK so we continually assess far reaching trends which will affect new housing and mortgage lending opportunities.





WIDER HOUSING OPTIONS

Adapting redundant retail units into residential properties could be one answer for repurposing a prime location and converting it into much needed housing. Work has already started in many high streets with former dedicated shops being converted to split retail / residential dwellings or a complete change of use in becoming flats and apartments.

CHANGES IN PLANNING

With permitted development rights relaxed in recent years allowing offices, pubs and other redundant buildings to become housing, surely we will see more flexibility when it comes to a change of use for unviable retail units. Advancing building techniques such as 'modular' construction is also making it easier for retail space to be quickly converted into residential dwellings.

OPPORTUNITIES FOR THE MORTGAGE INDUSTRY

So as we begin to enter a post pandemic era, house building firms will potentially have access to new development opportunities through the shop closures previously mentioned. Mortgage brokers too will have increased options to service the customers buying into this pioneering type of development. For all of us supporting the property market we need to prepare, and make sure we are ready to service new openings like this.

Future mortgage applications may look different as a new breed of property comes onto the market. However, for all of us serving the industry we have a great opportunity to grow business through this new situation. Specialist lenders, like ourselves, who manually underwrite every mortgage application, are ready to offer help to smoothly access this emerging market and ensure this new opportunity can be harnessed in the most efficient and smooth way possible. We're ready for change!

Craig Middleton

Craig Middleton, Mortgage Sales & Distribution Manager, Harpenden Building Society



We individually assess and approach applications.



We offer a manual underwriting process, no credit score involved.



A flexible view on merits of all cases - we're very accommodating.



We provide clear, fair and transparent charges for all cases.



Many types of income are considered when assessing affordability.