

UNLOCKING HERITAGE FOR HOUSING

FROM HIDDEN ASSET TO NATIONAL HOUSING DELIVERY

ALIGNING THE NATIONAL PLANNING POLICY FRAMEWORK WITH HERITAGE-LED DELIVERY

PREPARED BY: THE PJ LIVESEY GROUP

P J LIVESEY

FOREWORD & INTRODUCTION

For more than four decades, PJ Livesey Group has specialised in the reuse and regeneration of historic buildings. From former hospitals and mills to schools, convents and civic landmarks, we have worked across the country to rescue complex heritage assets and transform them into sustainable residential communities.

Throughout that time, one reality has remained constant: heritage buildings represent one of the most significant untapped opportunities within England's housing system.

They sit at the heart of our towns and cities, often in the most sustainable and well-connected locations. When successfully brought back into use, they deliver far more than new homes. They safeguard irreplaceable assets, anchor regeneration, strengthen local identity and create distinctive places where people genuinely want to live.

Historic England's assessment that more than 670,000 homes could be delivered through the reuse of existing heritage buildings demonstrates the scale of this opportunity. It also highlights the responsibility to ensure that national housing, regeneration and climate frameworks are equipped to unlock it.

In recent years, the Government has made clear its ambition to accelerate housing delivery, make more effective use of brownfield land and embed sustainability at the heart of development. Homes England has a central role in delivering these objectives, through its work unlocking complex sites, shaping regeneration programmes and enabling private investment.

Heritage-led housing sits directly at the intersection of these agendas. Yet too often, historic buildings remain trapped between systems designed for new build development

and heritage protection, without a coherent delivery framework that reflects how these assets are actually brought back into use.

This report aims to contribute constructively to that conversation and to shift the focus toward the opportunity rather than the constraints. It sets out the scale and public value of heritage-led housing, the realities of delivering historic buildings, and the changes required across planning policy and national delivery mechanisms to enable heritage assets to play a significant role in meeting the country's housing needs.



PJ Livesey Managing Director
Georgina Lynch

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1 HERITAGE: A NATIONAL HOUSING OPPORTUNITY

The UK's historic building stock is uniquely placed to contribute meaningfully to national housing delivery. Unlike much of the development pipeline, heritage assets are already embedded within existing settlements. They are typically located close to transport, employment, services and social infrastructure. Their reuse does not require urban expansion, major new infrastructure corridors or speculative land assembly. They offer homes in places that already work.

Historic England has identified that more than 670,000 new homes could be delivered through the reuse of existing heritage buildings. This represents a scale of opportunity comparable to many new settlement programmes, but with the added advantages of established communities, existing services and immediate regeneration impact.

Heritage-led housing aligns directly with the Government's renewed emphasis on:

- **Brownfield delivery and urban regeneration.**
- **Making effective use of land.**
- **Sustainable patterns of growth.**
- **Town-centre and neighbourhood renewal.**

It also aligns closely with Homes England's core mission: unlocking complex sites, accelerating housing delivery and crowding in private investment to support regeneration and place-making.

In many towns and cities, heritage assets are among the largest, most prominent brownfield sites available. When brought back into productive use, they do not simply deliver homes. They stabilise neighbourhoods, catalyse wider investment, support local identity and

transform long-standing liabilities into civic and economic assets.

Despite this, heritage is not yet positioned as a defined delivery sector within the national housing system. Its contribution is under-recorded, under-planned for and insufficiently enabled. As a result, large numbers of buildings remain vacant or stalled with the risk of being lost forever, while the housing potential they represent goes unrealised.

Repositioning heritage as a core component of housing delivery supported by national planning policy and by Homes England's enabling and investment role is therefore essential if this opportunity is to be realised at scale.

2 THE PUBLIC VALUE OF HERITAGE HOMES

Historic England figures show 93 per cent of people agree that local heritage raises their quality of life.

Reusing existing structures can save 40–80% of upfront embodied carbon.

New build: 500–1,000 kgCO₂e/m²

Conversion: 150–500 kgCO₂e/m²

Heritage-led housing: public and place value Heritage-led housing brings together regeneration, housing delivery, environmental responsibility and long-term stewardship.

Reusing historic buildings safeguards valued local landmarks, strengthens community identity and reintegrates neglected sites into civic life. It supports:

- **Town-centre and neighbourhood renewal by reactivating long-vacant sites.**
- **Housing in sustainable locations within established communities.**
- **Economic and social value creation through local jobs and skills.**
- **Social value and community cohesion by restoring buildings that define local character.**
- **Homes are delivered with character and historical significance**

This approach reinforces communities rather than displacing them.

ENVIRONMENTAL VALUE

Heritage reuse retains embodied carbon, reduces demolition waste and supports retrofit-first principles. It offers a scalable route to lowering the embodied carbon of housing delivery, including:

- **Whole-life carbon reduction through retention of existing structures.**
- **Reduced waste and demolition impacts.**
- **Efficient use of serviced land, limiting new infrastructure.**
- **Alignment with net-zero objectives.**

Heritage-led housing is therefore climate-positive as well as conservation-led.

A COMMITMENT TO SUSTAINABLE REUSE

Sustainable reuse secures the active, viable use of historic buildings, preventing deterioration and long-term vacancy.

Converting heritage assets for housing delivers:

- **Protection from decline and blight.**
- **Upgrading to modern safety, comfort and energy standards.**
- **Environmental improvement through fabric-first measures.**
- **Long-term stewardship through ongoing occupation and care.**

With the right policy support, heritage buildings can be transformed into resilient, high-quality homes while safeguarding historic fabric.

3 DELIVERING HOMES THROUGH HERITAGE

HOMES, REGENERATION AND PLACE-MAKING IN PRACTICE

Heritage-led development is already making a meaningful contribution to housing delivery across England.

Former hospitals, schools, institutional buildings and civic landmarks are being repurposed into new neighbourhoods, delivering homes at scale while safeguarding buildings of national and local importance.

These schemes demonstrate that heritage is not a niche activity. It is a proven delivery route for complex brownfield land, capable of unlocking large sites, supporting regeneration strategies and creating distinctive, sustainable communities.

Across PJ Livesey's current and completed portfolio alone:

- **Major former hospitals and institutional sites have secured consent for hundreds of new homes.**
- **The majority of homes delivered are through conversion and adaptive reuse, not demolition.**
- **Sites are typically located within established communities, close to services and transport.**
- **Schemes consistently act as anchors for wider regeneration and local investment.**

These projects illustrate the breadth of heritage-led housing delivery: from large institutional campuses to individual civic buildings.

In every case, the outcome is not only new homes, but the rescue of important buildings, the repair of historic townscape and the reintegration of dormant sites into their communities.

Heritage-led housing delivers more than unit numbers. It delivers:

- **Permanent stewardship of vulnerable assets.**
- **Regeneration of prominent sites.**
- **Neighbourhood identity.**
- **Homes in places people actively want to live.**

However, these outcomes are not easily achieved. Behind every completed scheme sits a delivery process that differs fundamentally from standard new-build development.



THE RESIDENCE YORK FORMER FACTORY

- 163 Converted homes in the main building.
- 21 Homes converted in the Clock Tower.
- 1 Retail unit.
- Wider development - David Wilson Homes: 320 properties.
- Total delivery: 504 Homes.



THE RESIDENCE DARTFORD FORMER SCHOOL

- 155 Homes in total.
- 91 Converted properties.
- Wider development - Barratt Homes: 100 properties.
- Total delivery: 255 Homes.

WYFOLD COURT FORMER VICTORIAN MANSION

- 11 Extraordinary converted apartments.



THE RESIDENCE LANCASTER FORMER HOSPITAL

- 205 Homes in total.
- 164 Converted properties.
- Wider development - Story Homes: 190 properties.
- Total delivery: 395 Homes.





ST. JAMES PARK DIDSBURY FORMER SCHOOL

- 45 Conversion homes set within a range of listed and iconic buildings.
- 47 'Super new homes' in the grounds.



DIDSBURY GATE FORMER HOSPITAL

- 177 Homes in total.
- 130 Converted properties.

MOSTYN PLACE FORMER SCHOOL

- 102 Homes in total.
- 45 Converted properties.



EAGLEY MILLS BOLTON FORMER MILL

- 177 Homes in total.
- 160 Converted properties.



4 THE DELIVERY REALITY OF HERITAGE HOUSING

Why heritage is a distinct housing typology

Heritage-led housing differs from conventional development not in ambition, but in delivery reality.

The table below summarises the systemic differences in planning, construction and risk profile between standard new-build delivery and heritage-led reuse.

	PLANNING COSTS	PLANNING DELAYS	SECTION 106 & CIL	AVERAGE LABOUR & MATERIAL COSTS <small>*High level cost assumptions can vary widely dependent on house type and condition of conversion.</small>
PLC	£4K PER HOME	56 WEEKS	£20K	£150 SQ FT
SME	£8K PER HOME	60 WEEKS	£20K	£180 SQ FT
HERITAGE	OVER £10K PER HOME	80 WEEKS	£20K	£200 SQ FT
COMMENTS	Heritage faces the typical SME burden of proportionally higher professional and planning costs than PLC, compounded by additional fees for specialist reports, conservation architects, and surveys.	Additional delays due to additional statutory consultations and also the length of time to get to planning is increased with additional reports and consultations that need to take place.	This exercise assumes per-unit parity, in many cases heritage developments pay full Section 106 contributions, unless evidenced at planning viability.	The cost of build is significantly higher through intensive labour required, bespoke designs and nothing being standard from a buying power perspective.

PLANNING DELAYS

Planning approval for developments involving listed buildings can take a disproportionately long time. Prolonged determination periods increase vendor holding costs, including security and maintenance, and where buildings remain exposed such as through unresolved water ingress this can materially increase the extent and cost of subsequent remediation works.

Early engagement with Historic England is an essential part of achieving appropriate design responses that reflect the significance of the asset. However, delays frequently arise at later stages due to extended consultation processes with both Historic England and local authority conservation officers, where advice can be inconsistent or conflicting, further prolonging decision-making and increasing delivery risk.



REUSING THE NATION'S BUILT HERITAGE FOR HOUSING SHOULD BE A WIN-WIN, YET DEVELOPERS FACE COMPLEX POLICY, LONG DELAYS AND HIGHER COSTS. DESPITE A 'BROWNFIELD FIRST' APPROACH, HERITAGE PROJECTS CARRY THE GREATEST RISK. TARGETED POLICY REFORM IS NEEDED TO PROPERLY INCENTIVISE THEIR REUSE.

RICHARD WILSHAW PLANNING LTD - RICHARD WILSHAW



ST. JAMES HOSPITAL **PORTSMOUTH**

- **Permission for 209 homes.**
- **151 Conversion & 58 New Build.**
- **Time from Planning Submission to Determination: 181 weeks.**
- **Total time from bidding to submission: 282 weeks (5.4 years!).**
- **Cost to NHS in process: circa £1m per annum.**
- **Cost to developer: £1.6m unfunded costs to achieve planning consent.**



TAPTON COURT SHEFFIELD **FORMER STATELY HOME**

- **Permission for 37 homes.**
- **33 Conversion & 4 New Build.**
- **CIL bill of circa £90k.**
- **Section 106 contributions £298k.**
- **30 Weeks from Planning Submission to Determination.**



KING'S GATE MACCLESFIELD **FORMER SCHOOL**

- **Permission for 81 homes.**
- **61 Conversion & 20 New Build.**
- **Section 106 contributions of £372k.**
- **9 Affordable houses (11% of total).**



ST. JAMES PARK PORTSMOUTH **FORMER HOSPITAL**

- **Permission for 209 homes.**
- **151 Conversion & 58 New Build.**
- **Section 106 contributions of £3.64M.**
- **181 Weeks from Planning Submission to Determination.**



THE RETREAT YORK **FORMER QUAKER HOSPITAL**

- **Permission for 120 homes.**
- **98 Conversion & 22 New Build.**
- **Section 106 contributions exceed £2.5m, including £1.4m off-site affordable housing (c. £21,161 per home).**
- **Vacant Building Credit applied, but costs remain significant and impact scheme viability.**
- **115 Weeks from Planning Submission to Determination.**

THE GREAT UNKNOWNNS & RISKS

HIGHER BUILD COSTS

Heritage and conversion schemes always face build costs significantly above those of standard new build housing. Older structures require intrusive surveys, and careful sequencing of works to protect historic fabric.

Unlike new build, where costs can be estimated with high confidence, heritage construction involves variable and unpredictable interventions, for example, timber decay, structural instability, fire protection upgrades, and integration of modern M&E into constrained spaces. These works are inherently labour intensive further driving up cost. In many cases, **heritage build costs are on average 20% higher than a comparable new build.**

There is a common assumption that retaining an existing building frame will significantly reduce construction costs; however, this is often not the case.

At the viability stage, the key question becomes how many assumptions are being made, and in which areas. Without consent to undertake investigations at the pre-planning stage, both risk and cost uncertainty are increased.





GREATER UNKNOWNNS AND TECHNICAL RISKS

Every heritage scheme begins with a catalogue of unknown conditions that cannot be fully understood until works commence. Latent defects, hidden voids, undocumented alterations, asbestos, contaminated materials, compromised structures, and unexpected design limitations typically emerge only once strip-out begins. These risks translate into programme extensions, higher contingency allowances, and increased contractor preliminaries. Even with detailed surveys, heritage buildings regularly present unquantifiable risks that make lenders nervous and developers vulnerable. As a result, fewer SME developers are willing or able to take on this level of exposure. The absence of a dedicated risk-sharing or policy support mechanism has led to many heritage buildings being left vacant for years.

- **Heritage-led schemes carry systemic delivery risk not present in standard new-build development.**
- **Current planning obligations, including fixed Section 106 contributions, do not flex to reflect these unavoidable costs.**
- **Viability assessments undertaken at planning stage cannot reasonably account for risks that only crystallise during construction.**
- **Without policy recognition and flexibility, the cumulative effect is to disincentivise developers from taking on heritage assets, leaving buildings vacant or deteriorating.**
- **Early consent route for surveys could highlight issues when they matter most.**



HISTORIC BUILDINGS OFTEN HIDE CRITICAL STRUCTURAL INFORMATION, MAKING DESIGN UNCERTAIN. AN EARLY CONSENT ROUTE FOR SURVEYS WOULD ALLOW LIMITED INVESTIGATIONS WHEN THEY MATTER MOST, REDUCING DESIGN RISK, IMPROVING COST CERTAINTY, AND PROTECTING BUILDING FABRIC. THIS APPROACH REPLACES ASSUMPTION WITH EVIDENCE, ENABLING ROBUST, HERITAGE-LED DESIGN.



PJ LIVESEY HEAD OF DESIGN - RICHARD LAWRENCE

CASE STUDIES



ASBESTOS Case Study A

Extensive asbestos-containing materials were discovered behind historic finishes, within risers and beneath later floor coverings. Intrusive investigation pre-planning would have damaged protected fabric and was commercially unviable.

INDICATIVE UNBUDGETED COST: £500,000-£600,000,
PLUS PROGRAMME DELAY AND REINSTATEMENT WORKS.



STRUCTURAL DECAY Case Study B

Widespread decay to concealed structural timbers meant replacement and the introduction of structural steel. Embedded stone decay, failing lime mortar and rising damp required early partial dismantling, exposing the structure for prolonged periods.

INDICATIVE UNBUDGETED COST:
C. £200,000



HIDDEN STRUCTURAL DEFECTS AND MOVEMENT Case Study C

Cracked masonry arches, overstressed beams and localised wall instability were identified only once finishes were removed. Residential reconfiguration exacerbated latent structural weaknesses.

INDICATIVE UNBUDGETED COST:
C. £150,000



FIRE, ACOUSTIC AND THERMAL COMPLIANCE Case Study D

Opening-up works revealed non-compliant historic construction, triggering bespoke fire engineering solutions and enhanced compartmentation, particularly in duplex layouts.

INDICATIVE UNBUDGETED COST:
£100,000

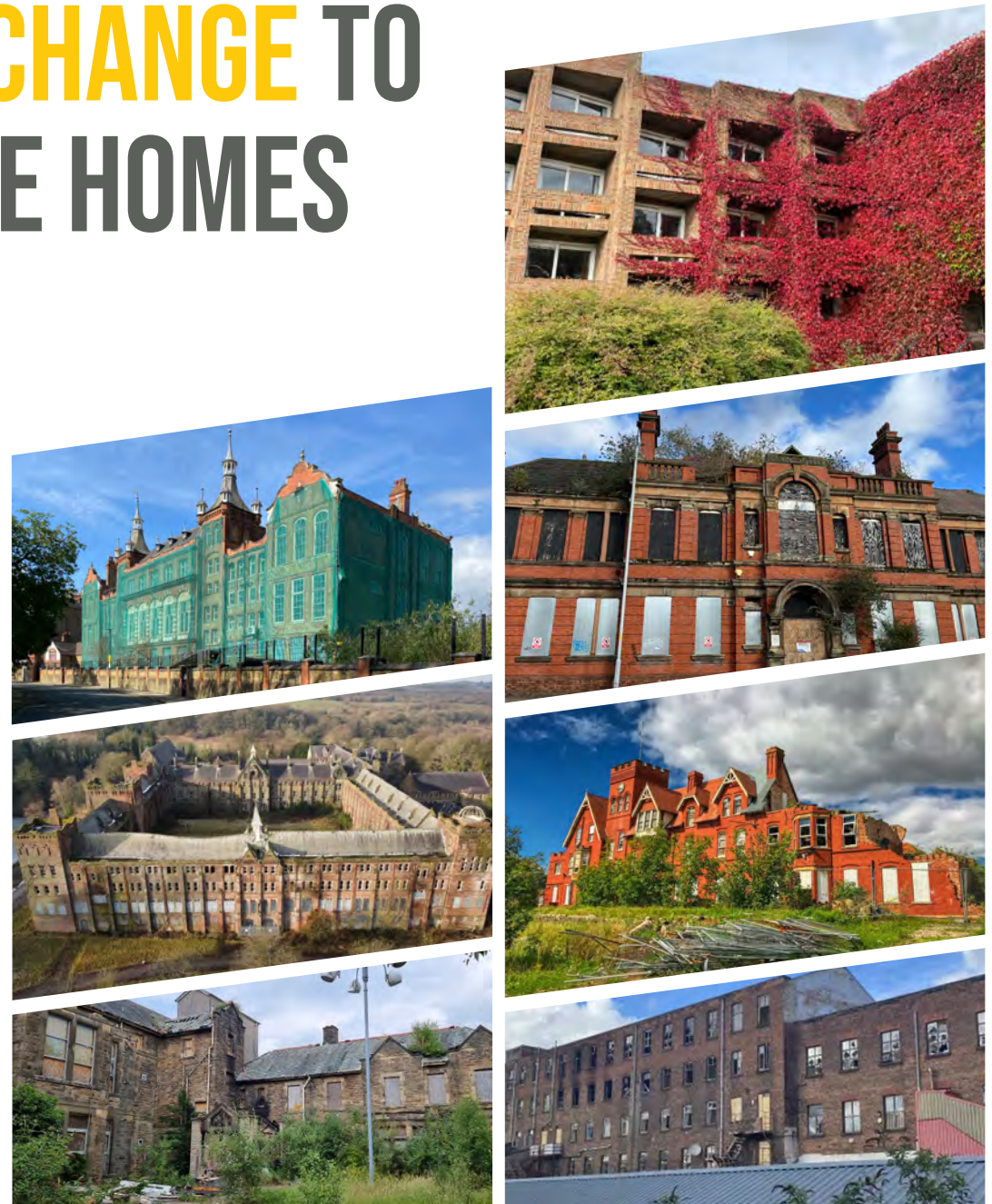
5 WHAT NEEDS TO CHANGE TO UNLOCK HERITAGE HOMES

A National Delivery Framework - if heritage is to become a reliable and scalable component of national housing supply, policy and delivery systems must evolve to reflect how heritage housing actually works. Based on the evidence in this report, six system-level reforms are required.

1 REFORM PUBLIC ASSET DISPOSAL FRAMEWORKS

There are huge numbers of vacant buildings that have simply got into the wrong hands, being left vacant for many years and now landlocked. Public bodies should dispose of heritage assets based not only on land value, but on deliverability, stewardship capacity and housing outcomes.

A consistent national approach is needed to ensure that buildings are transferred to parties capable of securing both their future and their housing potential.



2 STRENGTHEN HISTORIC ENGLAND'S COORDINATING ROLE

For complex and nationally significant heritage assets, Historic England should act as lead heritage adviser, supporting early alignment, consistency of advice and more efficient decision-making.

This currently represents a significant barrier to delivery and needs to be addressed in order to avoid conflicting guidance, from the conservation officer and Historic England.

4 INTRODUCE EARLY INVESTIGATIVE CONSENT ROUTES

National policy should support, tightly controlled investigative works to allow intrusive surveys to be carried out before full applications are determined. This would de-risk delivery before schemes are fixed.

Examples of investigative works:

- Removing modern wall coverings and modern extensions to see extent of damage and heritage significance.
- Open up areas of drop ceilings to investigate the spans of beams and floor joists.
- Investigate floor voids for spans and rotten timber.
- Test the condition of window frames and sashes.

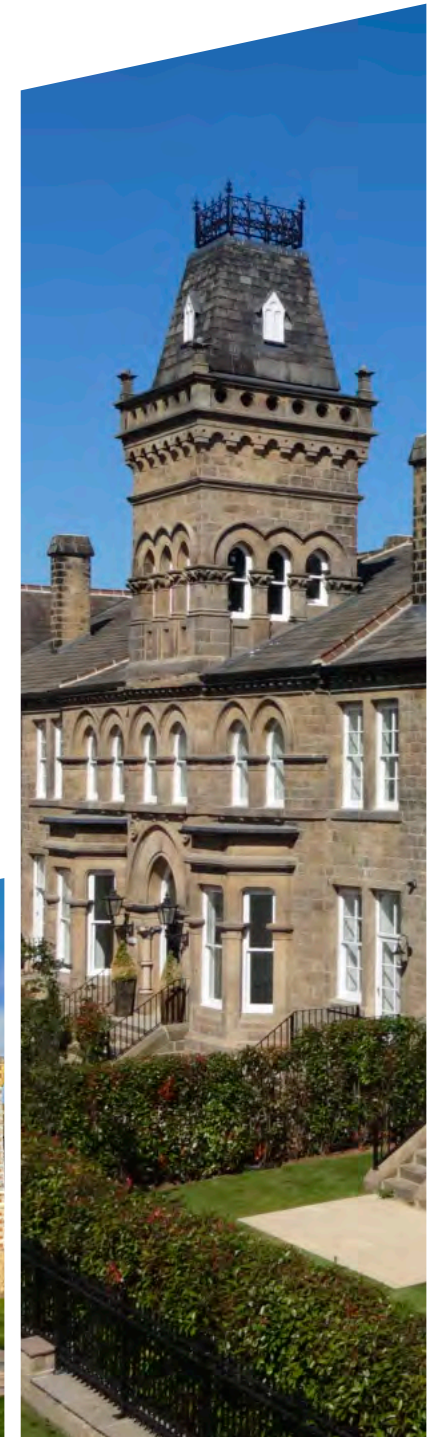
3 RECOGNISE HERITAGE-LED HOUSING AS A DISTINCT DELIVERY TYPOLOGY IN NPPF

The National Planning Policy Framework should explicitly identify both designated and non-designated heritage assets as a separate housing typology, with different delivery characteristics to new-build development.

This recognition must inform:

- Plan-making.
- Viability testing.
- Delivery assumptions.
- Funding and disposal strategies.

Without this, heritage schemes will continue to be assessed against inappropriate benchmarks.



5 ZERO VAT IN LINE WITH NEW BUILD

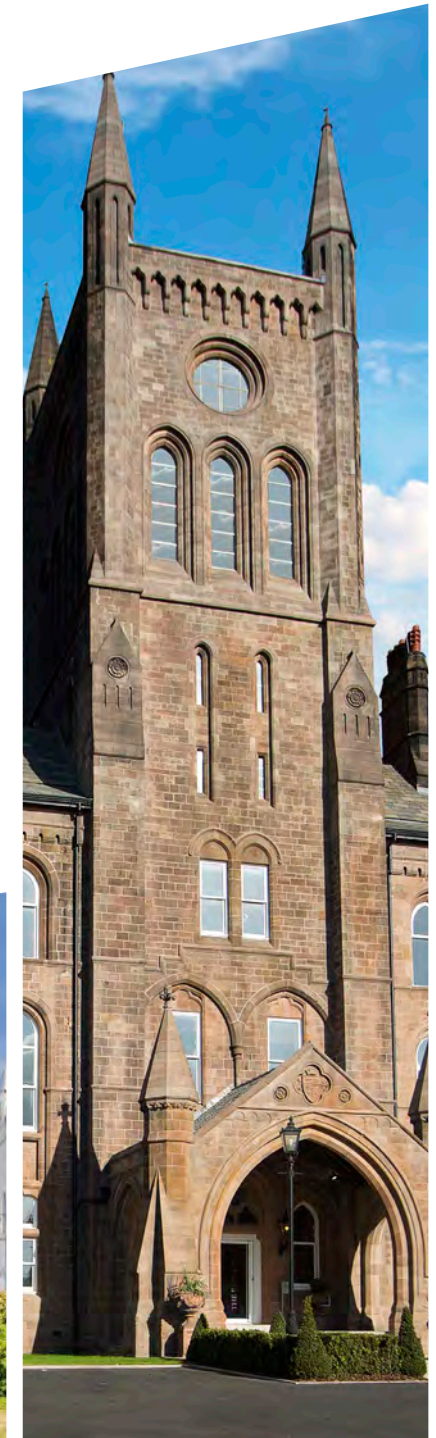
Introduce a targeted VAT zero rate for the conversion of designated and non-designated heritage assets into new dwellings (“Heritage-to-Homes Zero Rate”), aligning VAT treatment with new-build housing where works deliver self-contained dwellings, supported by a certification regime and clear eligibility tests (heritage designation, consent evidence, and minimum fabric retention). This removes the current VAT disparity that favours demolition over reuse, improving viability and accelerating delivery of homes through heritage-led regeneration.



6 EARLY STAGE - CAPITAL

The key barrier to delivery is funding for intrusive investigations, enabling works and conservation-led design at the early planning stage - where heritage risk is highest and conventional finance is least effective.

Existing Homes England programmes focus on infrastructure and later-stage delivery, providing limited support for the early building-specific investment needed to bring vacant heritage assets forward. A targeted heritage fund to support early investigations and technical de-risking would unlock stalled sites, accelerate housing delivery and attract private capital.



6 THE CONCLUSION

England's historic buildings are one of the country's most under-used housing resources. Located in town centres, established neighbourhoods and transport hubs, they sit where housing demand is highest. Embedded in communities and supported by existing infrastructure, they are well placed to support regeneration. Historic England's estimate that over 670,000 homes could be delivered through reuse shows this is a nationally significant opportunity.

Heritage-led housing responds directly to today's challenges. It delivers homes in brownfield locations without expanding urban footprints, retains embodied carbon, reduces waste and brings vacant landmarks back into use, creating distinctive and sustainable places where people want to live.

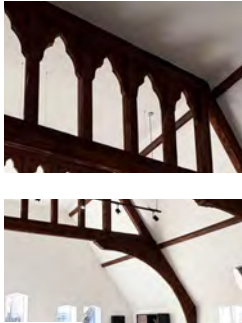
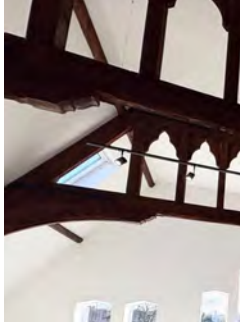
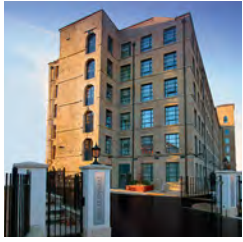
Despite this, heritage buildings are not treated as part of the housing delivery system. They remain governed by frameworks designed for conventional new build development, and that misalignment suppresses delivery. The result is visible across towns and cities: vacant buildings, deteriorating assets, stalled regeneration and homes that never materialise.

Heritage-led housing is a distinct typology. It carries greater uncertainty and technical complexity, but it also delivers concentrated public value - safeguarding assets, retaining carbon and anchoring regeneration.

Unlocking it requires a national system that recognises these differences and actively enables delivery.

This calls for coordinated leadership across planning, heritage, regeneration and housing bodies. Homes England has a pivotal role to play by supporting early-stage investigation, technical de-risking and pre-development investment alongside its land and infrastructure programmes. National planning policy must also evolve to explicitly recognise heritage-led housing as a distinct delivery pathway.

These reforms are not about weakening protections, but about aligning housing, regeneration, sustainability and conservation within a coherent delivery framework and changing attitudes. With the right leadership and tools, historic buildings can move from being seen as liabilities to becoming a dependable source of new homes and renewed places - turning the buildings that define our past into neighbourhoods that support our future.



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