



# **THE GREYFIELD RENAISSANCE CONVERTING CAR PARKS INTO HOMES**



**CAPITAL&CENTRIC**



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## CAPITAL&CENTRIC

### About Capital & Centric

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In the last 10 years, we've completed over 2,000,000 sq ft of development and we spend over £3m a week on regeneration. We're busy cracking on with over £2bn of development across commercial, residential, hotel and leisure sectors.

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**Simon Tagg**  
Leader of Newcastle-under-Lyme Council

For too long, mid-sized towns across the United Kingdom have been searching for an answer to the “death of the high street.” In Newcastle-under-Lyme, we decided we weren’t prepared to wait for the answer to come to us, so we decided to build it. The research presented in “The Greyfield Renaissance” captures the very essence of the journey we have undertaken: transforming the “grey” relics of the past into the vibrant, lived-in communities of the future.

The “Midway” project, delivered in partnership with the visionaries at Capital & Centric, is more than just a housing development; it is a statement of intent. By taking a crumbling, 1960s multi-storey car park, a site that was once a magnet for anti-social behaviour and a drain on our municipal coffers, and reimagining it as a high-quality residential hub, we are leading the UK in a new wave of urban regeneration.

What makes the ‘Newcastle Model’ a guiding star for the rest of the country is our refusal to take the easy path. Many would have called for the wrecking ball. Instead, working with Capital & Centric, we have embraced the ‘Adaptive Reuse’ model highlighted in this report. By retaining the original brutalist frame, we are not only saving thousands of tonnes of embodied carbon but also preserving the unique character of our town’s skyline. We are showing that you can be “bold and cool” while being sustainable and fiscally responsible.

This project proves that when a proactive local authority uses its Town Deal funding strategically to de-risk complex sites, the private sector will respond with innovation and investment. We are replacing “commuter silos” with homes for young professionals and families—people who will shop in our markets, eat in our cafes, and provide the 24/7 footfall that a modern town centre needs to survive.

Newcastle-under-Lyme is no longer just a market town in Staffordshire; we are a proving ground for the “Brownfield Passport” concept. We have shown that by moving away from the “discretionary” delays of the past and toward a collaborative, design-led partnership, we can unlock sites that were previously deemed impossible.

I invite leaders from across the country to look at what we are achieving here. The “Greyfield Renaissance” isn’t a theory, it’s happening right now in Newcastle-under-Lyme. We are proving that our town centres can have a second act that is even more exciting than their first.

**Note:** The genesis of this report stems from the proposal by social impact developers Capital & Centric in partnership with Newcastle-under-Lyme Council to systematically convert these redundant assets into high-density housing.

# The Convergence of Housing Need and Urban Obsolescence

The United Kingdom currently faces a polycrisis of urban planning, housing shortage, and structural obsolescence that demands a radical reimagining of the built environment. At the heart of this convergence lies a specific asset class: the “greyfield” site. Distinct from traditional brownfield land, which often implies industrial dereliction requiring heavy remediation, greyfield land comprises the functional but failing infrastructure of the twentieth-century town centre. This includes multi-storey car parks (MSCPs), enclosed shopping centres, and oversized retail precincts that no longer serve the economic or social needs of their communities.

The genesis of this report stems from the proposal by social impact developers Capital & Centric to systematically convert these redundant assets into high-density housing. This proposition addresses two acute national challenges simultaneously. First, the chronic under-supply of housing, with the new Labour government targeting 1.5 million homes to be built over the Parliament in England, requires the identification of land that does not primarily encroach upon the overregulated Green Belt. Indeed, owing to the nature of the in-town redevelopment, surrounding infrastructure can be enhanced through CIL and S106 investments, rather than creating new, more expensive infrastructure at green-field locations. Second, the “death of the high street,” accelerated by the shift to e-commerce and the post-pandemic consolidation of retail, has left local authorities burdened with depreciating assets that haemorrhage revenue and blight the urban core. Following the historic downgrading in the economic conditions of municipal conurbations outside of the South East from the 1970s, and the rolling financial crises meted out on the economy over the 2000s, there are significant opportunities to open up investment and regeneration across the UK.

This research report provides an exhaustive analysis of the legislative, technical, and financial mechanisms required to unlock these sites. It specifically examines the proposed “Brownfield Passport” and the redefinition of “Grey Belt” land as policy levers to expedite delivery. The focus is narrowed to conurbations with populations between 5,000 and 225,000, the market towns, cathedral cities, and post-industrial centres that act as the backbone of the UK economy, but often lack the investment gravity of major metropolises like London or Manchester.

The analysis argues that a presumption in favour of development, codified through automatic planning permissions for compliant schemes, is the essential catalyst for regeneration. However, legislative deregulation is insufficient in isolation. It must be paired with deep structural engineering expertise to manage the complexities of retrofit versus demolition, and a recalibration of local government revenue models, which currently face a “viability gap” when transitioning from parking income to residential council tax. Further, central government levers to bring forward development such as grant funding, should prioritise retrofit over development of Green Belt. Given current financial pressures on councils, it is not just the fiduciary responsibility of councils towards their residents in helping facilitate pleasant, sustainable town centres, but also make the most effort to optimise these greyfield assets in order to maximise council tax and business rate revenues to maximise service provision.

Through an examination of case studies, including the Midway Car Park in Newcastle-under-Lyme, this report outlines a blueprint for the systemic repurposing of the UK’s greyfield estate.



Image: Karparc (Architectural Plans), Newcastle Under Lyme, <https://www.bbc.co.uk/news/articles/cvgxqw2dr8no>

# The Legislative Landscape: From Discretionary Planning to the Brownfield Passport

The British planning system has historically operated on a discretionary basis, distinct from the zoning systems common in the United States or continental Europe. Under the Town and Country Planning Act 1947 and its successors, the “right to build” is not inherent in land ownership but is granted by the state on a case-by-case basis. It is, in effect, the same flavour of nationalisation that occurred across the economy during the Attlee government, vis a vis healthcare, industry, and other public utilities – in that time, as with other areas nationalised, the planning system is showing its age. While this unique system allows for local democratic oversight, it generates significant uncertainty, delay, and capital risk, which disproportionately suppresses complex regeneration projects where margins are thin and risk is significant. By providing a ‘fastlane’, or passport as policymakers prefer, this clears a great deal of the bureaucratic delay and cost from developments in a manner which is preferred by the electorate and their representatives.

This policy is still in the working document stage, and requires further development by policymakers. As part of this paper, we will seek to address some areas of concern that the government has questioned, but also apply some additional thinking to the progress of this policy and how it relates to urban regeneration.

## The Failure of Existing Permitted Development Rights (PDR)

In recent years, the government has attempted to introduce flexibility through Permitted Development Rights (PDR), specifically Class O (office to residential) and its successor, Class MA (commercial, business, and service to residential), [introduced in 2021](#). Theoretically, Class MA allows for the conversion of vacant commercial buildings (Use Class E) to residential (Use Class C3) without a full planning application.

However, detailed analysis reveals that Class MA is structurally ill-suited for the regeneration of large-scale greyfield assets like shopping centres and multi-storey car parks:

- First, the legislation imposes a cumulative floor space limit of 1,500 square metres. A typical town centre shopping mall or multi-storey car park far exceeds this threshold, rendering the PDR route inapplicable for holistic site regeneration.
- Second, the requirement for the building to have been vacant for a continuous period of three months prior to application creates a perverse incentive for landlords to evict tenants, accelerating blight rather than managing a smooth transition.

- Third, Local Planning Authorities (LPAs) retain the power to block Class MA conversions through Article 4 Directions, which remove PDR rights in specific geographic areas to protect commercial function. Furthermore, the “Prior Approval” process allows councils to refuse schemes based on a range of criteria including flood risk, noise impacts, and the provision of natural light, which are often used as technical proxies to block unpopular developments. This is not necessarily a counterproductive measure, as a [government commissioned report](#) found that less than 25% of PDR-converted properties meet national space standards. Consequently, Class MA has delivered piecemeal conversion of small office units but has failed to unlock strategic greyfield sites.

There are further areas of concern regarding the use of PDR in these classes. Notably, the prevalence of stalled developments in town centres continues to blight plans for renovating high streets. [A study by RICS found that just under a third of all PDRs](#) in the Class O category were completed after work had begun, simultaneously depriving high streets of office space and homes. Adding to this is the concern over the design of these new units across the country – when prior notice is given to councils ahead of redevelopment, applications are often opposed not due to their nature, but because of their facade or design. A design-led process is important here, in order to forestall the long-term problems facing high streets now, following their (re) developments in the 1960s and 1970s. Further, PDR suits developments with little intervention to the external appearance of a building, where such policy should be encouraging significant architectural improvements to create a better local environment.

In order to solve these problems, prior notice should be an opportunity for the council to confer approval following serious aesthetic design of the project, in line with local concerns. It should also consider whether the developer has executed previous projects to a high standard, using a list or some other function, in order to narrow the chance for projects stalling or the use of commercialising permissions through selling of said permissions.

## The “Brownfield Passport” Proposal: Permission in Principle

Recognising the limitations of PDR, the Ministry of Housing, Communities and Local Government (MHCLG) has proposed a more radical intervention: the “Brownfield Passport.” This policy mechanism represents a fundamental shift towards a rules-based system for urban regeneration.

The core tenet of the Brownfield Passport is to establish a national policy expectation that development on brownfield land within urban settlements is acceptable unless specified exclusions apply. This effectively reverses the burden of proof. Currently, a developer must demonstrate why a scheme should be permitted; under the Passport system, the LPA would need to demonstrate why a compliant scheme should not be permitted. The working paper explicitly states that the default answer to suitable proposals should be a straightforward “yes”.

PDRs also apply to demolition schemes in most cases, even if the building remains viable (depending on some contexts). The prior approval period of 8-weeks should be sufficient for these checks, providing that the council is adequately resourced to finish these checks to a high-enough quality.

To operationalise this presumption, the policy leans heavily on the use of Local Development Orders (LDOs) and Area-Wide Permissions. An LDO is a legal instrument that grants upfront planning permission for specific types of development within a defined area. By combining LDOs with robust design codes that set parameters for scale, height, and materiality, LPAs can effectively “zone” failing shopping centres or car parks for residential use.

For a developer like Capital & Centric, this reduces pre-construction risk significantly by issuing security in planning and expectations, which is not offered by the standard (often speculative) planning process. Instead of spending 18 months and millions of pounds on a speculative planning application that might be rejected by a planning committee, they would be working within a framework where the principle of residential use is already established. The planning process effectively becomes a technical compliance check rather than a political debate.

## Parameters of Scale and Density

Crucially, the Brownfield Passport proposal addresses the issue of density. The consultation paper suggests that national policy could set minimum expectations for scale, such as requiring development to be at least four storeys high when fronting principal streets in accessible urban locations. This is a vital intervention for towns with populations of 5,000 to 225,000, where low-density sprawl is often the norm. By mandating minimum densities on greyfield sites, the policy ensures the efficient use of scarce urban land and improves the viability of schemes by increasing the number of saleable units per hectare, but only if there is an increase in valuation for units.

Whilst this remains a sector-wide challenge, especially at the time of writing, there are clear macroeconomic and social benefits to denser urban accommodation. [A cross-sectional survey by Ahlfeldt Pietrostefani](#) for the London School of Economics found that in almost every circumstance, denser urban living contributed to higher productivity, lower government spending, lower energy consumption, higher safety and mental health, and lower inequality, across income groups. These

effects were primarily found in larger towns and cities, however, there were similarities in lower density towns which moved towards densification – should the housing market inertia problem be resolved, whether through abolishing stamp duty or introducing a demand-stimulus policy, local governments would receive a notable benefit to development.

This caveat remains important – even in London, viability remains the largest concern for building further units. Analysis by [Molior](#) found that even if the land was transferred for free, and all CIL, S106, and other obligations were removed, over half of London would not be viable for under £650/sqft. Failure to sell, even in the previously vibrant London housing market, means that there were only c.3,000 private housing starts in the capital between Q1 and Q3 of 2025. Given that land and associated taxes would be removed in this scenario, and with the ground being designated as brownfield or earmarked for redevelopment, there are clear concerns for any building in urban areas.

Parallel to the Brownfield Passport is the introduction of the “[Grey Belt](#)” classification by the new Labour government. This is a critical development for conurbations located on the urban fringe or constrained by tight Green Belt boundaries.

The Grey Belt is defined as “[land in the Green Belt comprising previously developed land and/or any other land that... does not strongly contribute to any of purposes](#)”. This definition explicitly captures the types of “grey and ugly” sites, such as peripheral car parks, disused petrol stations, and scrubland, that technically sit within the Green Belt but possess none of the landscape value the designation was intended to protect.

For a town like Guildford or Sevenoaks, surrounded by Green Belt, growth has historically been strangled. Indeed, in 2015 the Adam Smith Institute published a paper called [The Green Noose](#), which outlined the absurdity and damage of this historic policy. The Grey Belt reforms allow for the release of these sites subject to “[Golden Rules](#),” principally the provision of 50% affordable housing. This aligns perfectly with the greyfield regeneration agenda, creating a legislative pathway for sites that were previously untouchable due to their Green Belt status. The distinction is nuanced but powerful: while Brownfield Passports facilitate densification *within* the urban core, Grey Belt reform unlocks sustainable expansion on the *urban fringe*, utilising neglected infrastructure rather than virgin, politically contentious countryside.

# The Greyfield Asset Class: A Typology of Obsolescence in Conurbations

To understand the necessity of these reforms, one must analyse the specific assets they target. In UK towns with populations between 5,000 and 225,000, the urban fabric is punctuated by two dominant forms of obsolescent infrastructure: the Multi-Storey Car Park (MSCP) and the secondary Shopping Centre.

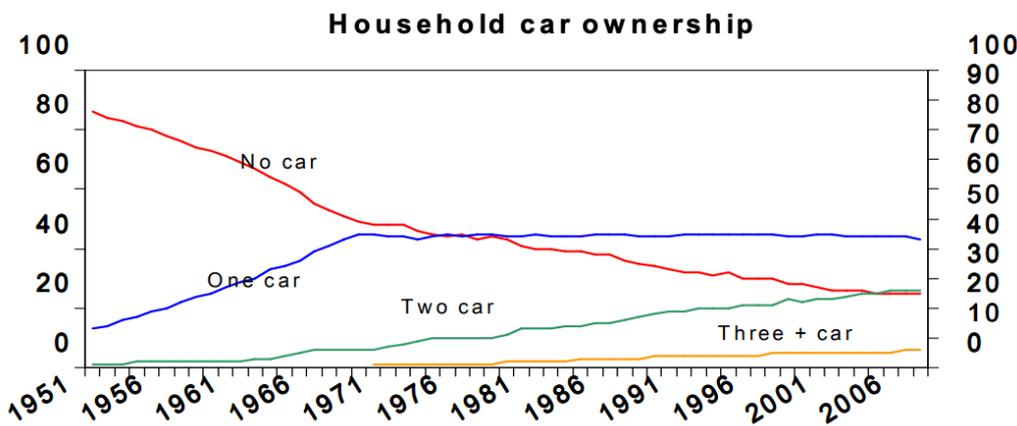
## The Terminal Decline of the Multi-Storey Car Park

The UK's stock of multi-storey car parks, largely constructed during the concrete boom of the 1960s and 70s, is facing a perfect storm of structural, economic, and functional obsolescence. During their construction period of the 1960s, there was a clear demand for creating a centrepiece for car parking in towns. The growth in car ownership in the 1950s, as motorways were constructed, companies such as British Leyland and European car manufacturers were receiving state support as the continent as a whole reindustrialised, and wages grew, placing greater pressure on councils to cater to their constituents.

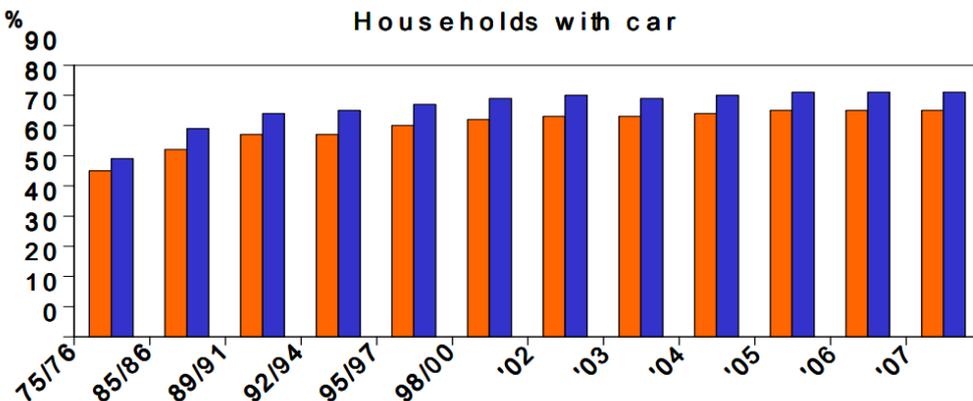
Indeed, as the below graphs show, car ownership had become almost ubiquitous for households by the 1990s, with it being only likely to not own a car if the household lives in a city, are too old to drive, or if they could not afford the maintenance - amidst a growing economy, these factors dissipated over the latter quarter of the 1990s.

As out of town shopping centres were developed, and most recently, the domination of e-commerce and remote delivery of goods, there have been a series of bankruptcies of 'anchor' chain stores that previously upheld the highstreet. Woolworth's (2008), Dixons (2014), and BHS (2015), amongst other enterprises, were closed, bringing further damage to the high street.

The demand profile for town centre parking has shifted permanently. The rise of hybrid working has decimated the "commuter parking" revenue stream that anchored the finances of many MSCPs which are not attached to a secondary infrastructure project, such as park and rides or railway stations.



Source: David Leibling, Car ownership in Great Britain, RAC Foundation, 2008, <https://www.racfoundation.org/wp-content/uploads/2017/11/car-ownership-in-great-britain-leibling-171008-report.pdf>



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Simultaneously, the decline of physical retail has reduced shopper footfall. Reports from local authorities such as [Broxthorpe Borough Council](#) indicate that parking services often fail to cover their operating costs, requiring subsidies from the General Fund. In [Wokingham](#), even aggressive tariff increases have failed to restore profitability, as higher prices simply deter the remaining visitors, creating a “doom loop” of declining usage.

Beyond economics, there is a looming structural crisis. The [Institution of Structural Engineers \(ISE\)](#) has highlighted that the average vehicle weight has increased from 1.5 tonnes in 1974 to nearly 2.0 tonnes today, driven by the popularity of SUVs and the heavy battery packs of Electric Vehicles (EVs). Many MSCPs were designed to historic loading codes that did not anticipate this mass. Further, modern cars are much wider meaning they do not fit in the conventional space sizes, which previous frames were designed around. Consequently, older structures are at risk of shear failure or punching shear collapse if fully loaded with modern electric fleets. This renders them not only economically redundant but structurally unsafe without prohibitive capital investment in strengthening measures, which even then won't resolve the space/size issue.

Whilst many towns have fallen into disarray owing to changes in cultural and commercial habits, there is thus a renewed opportunity to regenerate these urban centres. This will require more dynamic and brave decision making by local governments.

## Land Use Inefficiency

From a spatial planning perspective, the MSCP represents an egregious misuse of prime urban land. A standard parking space consumes approximately 12-15 square metres of space. When circulation aisles and ramps are included, the gross internal area per car is significantly higher. In contrast, [a modern one-bedroom apartment typically requires 37-50 square metres](#). Thus, a single parking structure often occupies a volumetric envelope capable of housing scores of residents. In towns suffering from acute housing shortages, maintaining these “car silos” is increasingly indefensible, even if there is a slight commercial benefit to their presence.

Utilising figures from [Rutland Council](#), the net annual cost to the council per square metre of parking space is £16.60. For [Epping Forest Council](#), the considerations to acquire the Cottis Lane MSCP prompted an internal report that suggested that the cost to the council would be £800,000, with declining revenues. In [Crewe](#), the new £11m MSCP has cost Cheshire East Council £80,000 in its first 6 months owing to poor revenue and higher capital costs. It is evident that in more sparsely populated areas, the land utilisation is better tilted towards new accommodation units for people rather than cars.

As town centres and their appendages have slowly degraded, they have also become centres of anti-social behaviour and low-level crime. Evidence from Buckinghamshire shows that there is a wider acknowledgement of car-parks being centres for anti-social behaviour – in this particular case, the Council implemented a [Public Spaces Protection Order](#) in order

to combat this. Likewise, a [risk assessment](#) by Spelthorne Council recommended additional police patrols and new working groups to control anti-social behaviour in their multi-storey car parks.

These behaviours centre in multi-storey car parks due to a variety of factors, including design, the variable usage of the facility, and its lack of monitoring. Across the UK, car parks are centres for anti-social behaviour. In Staffordshire, for example, the [Wolstanton Retail Car Park](#) ranks as the most prominent geography for repeat antisocial behaviour in the county. In Cheltenham, the [multi-storey Town Centre East](#) car-park was temporarily closed owing to significant vandalism, crime, and anti-social behaviour.

In order to prevent or respond to these long-standing incidents, councils and the police have expended considerable resources. In 2023, the [Anti-Social Behaviour Action Plan](#) was launched by the Sunak Government – so much emphasis was placed on this policy scheme that it received a foreword from the Prime Minister rather than the Secretary of State for Communities. Further, £140m was allocated to the Safer Streets Fund, with £104m being allocated to prevention. Car parks, alongside alleyways and some parks, have become as eponymous to the degradation of Britain's social fabric as the shutters that line the accompanying high streets.

Given the poor land use and high social, financial, and cultural cost to these car-parks and high-streets, local politicians should move quickly to create a planning policy framework which emphasises conversions from desolate concrete to warm, safe homes on the doorstep of shops and cafes.

## The Death of the Secondary Mall

The enclosed shopping centre is facing an existential threat even more severe than that of the car park. While destination malls (like Westfield or the Trafford Centre) continue to thrive, the “secondary mall” in the mid-sized town is collapsing. According to research from the [Centre for Retail Research](#), the UK in 2025 was forecast to lose 172,000 jobs and 13,000 retail stores. With changes to business rates in the November 2025 budget, seeing some rates increase by over 100%, retail, hospitality, and leisure (RHL) is likely to experience an even larger blow to operations and viability on the high street.

Data from the same Centre indicates a persistent rise in vacancy rates, particularly among “[comparison goods](#)” retailers (fashion, electronics) that have migrated online. The collapse of anchor tenants like Debenhams, some larger Marks and Spencers stores, and BHS has left gaping voids in these structures that cannot be filled by traditional retail. Following the departure of an anchor tenant, it has been observed that [rents decline by around 25%](#) for non-anchor tenants. However, the associated loss of footfall often makes these high streets uncompetitive without a rapid shift in the taxonomy of its retail and leisure experiences. However, with the integration of new residential units and creativity amongst retail, leisure, and hospitality entrepreneurs, marginalised town centres are given the opportunity to thrive.

These malls often suffer from “fortress architecture” - inward-looking designs with blank walls facing the street, severing the connectivity of the town centre. In Newcastle-under-Lyme, this is especially egregious, with large, discoloured brutalist concrete slabs facing the public. They destroy the urban grain and create dead zones after trading hours. Unlike a high street, which can evolve organically unit-by-unit, a shopping centre is a monolithic asset with high common area maintenance costs, making it unviable for independent businesses or low-margin community uses. The only viable exit strategy for many of these assets is total or partial demolition and repurposing for residential-led mixed use, which is a process the Brownfield Passport is specifically designed to facilitate.

Where secondary malls have declined enough, it has further negative externalities for its associated infrastructure. In January 2026, the Edinburgh Road carpark in Ashford had an announcement for closure following a £700,000 a year loss for the council, as it is adjoined to the council-owned secondary mall. Strains placed on capital budgets, especially amidst the ongoing funding crunch facing councils, means these areas can become dangerous and centres for further anti-social behaviour - by moving towards public-private redevelopment, council budgets and high streets can be reinvigorated hand-in-hand.



**Image:** Shrewsbury Car Park and Park'n'Ride, source: <https://www.geograph.org.uk/photo/4752910>



**Image:** Ankerside Car Park, Tamworth, source: <https://www.birminghammail.co.uk/news/local-news/police-negotiators-called-man-distress-14411549>



**Image:** Edinburgh Road Car Park and Shopping Centre, Ashford, source: <https://www.kentonline.co.uk/ashford/news/date-given-for-permanent-closure-of-second-town-centre-car-p-334668/>

# Engineering the Renaissance: Technical Constraints and Solutions

While the legislative pathway provided by the Brownfield Passport creates the *permission* to develop, the *physical reality* of converting greyfield sites presents formidable engineering challenges. This section details the technical feasibility of transforming (single and multi-storey) car parks and malls into homes.

## The Structural Dilemma: Retrofit vs. Demolition

The primary decision for any developer is whether to retain the existing structure (known as Adaptive Reuse) or to demolish and rebuild. This decision matrix is governed by carbon, cost, and geometry.

### Adaptive Reuse and Embodied Carbon

Retaining the concrete frame of a car park or mall offers massive sustainability benefits. The concrete structure represents the bulk of a building's "embodied carbon", which is the CO<sub>2</sub> emitted during its construction. By reusing the frame, developers can save thousands of tonnes of carbon. Capital & Centric's "Midway" project in Newcastle-under-Lyme serves as a best-practice example, where the developer, working in partnership with the Borough Council, chose to retain the brutalist 1960s frame specifically to lock in this embodied carbon.

However, retrofit is technically arduous.

- **Floor-to-Ceiling Heights:** Car parks are designed with low vertical clearances, typically 2.1m to 2.3m. Residential building regulations generally require a minimum ceiling height of 2.3m to 2.5m for habitable rooms. Once insulation, acoustic screeds, and service voids (for plumbing and electrics) are added, the available height in a car park often falls below legal or marketable standards.
- **The Problem of the Ramp:** Many MSCPs utilise a "split level" or "continuous helix" (sloping floor) design to facilitate vehicle movement. Living on a slope is impossible, however, conversions are feasible and can be more common if a standardised approach is adopted. Converting a ramped car park to flat residential floors requires complex engineering interventions, such as pouring new level slabs over the existing slopes (adding significant dead load to the structure) or constructing stepped internal layouts that are expensive and non-compliant with accessibility standards. In order for the structure to remain safe, building compliance officers and the Building Safety Regulator should understand the feathering of the project through the Gateway 3 process.

- **Daylight and Deep Floor Plates:** Car parks are often deep structures (30m+ width). Residential units require natural light. Retrofitting often necessitates cutting large "atrium" voids through the centre of the reinforced concrete slabs to bring light into the core, as seen in the Midway proposal. This requires temporary propping and significant structural strengthening, eroding the cost advantage of retention.

Given these constraints, demolition is often the only viable route for helix-ramp car parks or deep-plan shopping malls. Demolition allows for the optimization of the structural grid (typically 7-9m for residential, vs irregular parking grids) and the maximisation of density. However, this route incurs higher upfront costs, longer programmes, and the loss of embodied carbon, which must be justified through a rigorous "Whole Life Carbon Assessment." It is more economical and preferable to local heritage to undertake a deep retrofit and refurbishment of these units - this retains the embodied carbon footprint, whilst ensuring that the Future Homes Standard is administered.

In order to create a better environment for choosing retrofit over demolition, it has been suggested that VAT should be zero-rated for retrofit and refurbishment in order to bring it in line with the tax regime for New Build projects. Whilst sounding preferable, Britain's VAT regime remains highly complicated and poorly framed for sound fiscal governance and should be rationalised rather than made more heterodox. Instead, we would recommend that retro-fit and refurbishment should be made eligible for Full Expensing. Full Expensing ensures that the developer can recoup the costs of retrofit against their gross corporation tax, as has been rolled out for new plant and machinery. In order to qualify for Full Expensing, the refurbished building must meet the latest Building Codes and regulations, such as having EPC C minimum for insulation and meeting minimum National Space Standards, or the Future Homes Standards.

# The Financial Ecosystem: Breaking the Local Authority Addiction

Perhaps the most significant barrier to the widespread adoption of Brownfield Passports for car park conversion is not technical, but financial. It is rooted in the revenue models of UK Local Authorities.

## The Parking Revenue Dependency

For decades, off-street parking has been a “cash cow” for local governments. In the financial year 2024-25, English councils generated a combined surplus of £1.1 billion from all parking operations. For a typical District Council in a town of 100,000 people, parking might generate a net surplus of £1m-£2m annually. This is unrestricted income that is often used to cross-subsidise essential but non-revenue-generating services like parks, street cleaning, or social care. However, this figure includes *all* parking, including on-street - with regards to off-street or MSCP facilities, the net income falls to £800m.

This creates a structural conflict of interest. While the planning department might want to regenerate a car park to meet housing targets, the finance department (and the Section 151 Officer) views the car park as a vital revenue-generating asset. Disposing of the car park for housing development creates an immediate “hole” in the revenue budget that a capital receipt (the cash from selling the land) cannot legally fill, as capital receipts cannot typically be used to fund recurring revenue expenditure. Further, given the viability issues relating to residential development in such locations, often the residual land value is nil.

## The “Income Strip” and the Viability Gap

To overcome this, councils and developers must engineer financial structures that replace the lost parking income.

- **Council Tax or Parking Fees:** A simple swap is rarely sufficient. A car park space can generate £1,500-£2,000 per year in fees. A Band C apartment might generate £1,800 in Council Tax. On a per-square-metre basis, a well-used car park is often more yield-potent for the council than a residential tax base.
- **Business Rates:** If the redevelopment includes commercial units, the council retains a portion of the Business Rates. However, the risk of vacancies (and the associated Empty Property Relief liability) makes this volatile.

## The Joint Venture (JV) Solution

The most successful model for bridging this gap is the Public-Private Joint Venture (JV). In this model, the Council does not simply sell the land. Instead, it contributes the land (the car park) as equity into the partnership. The developer, utilising this asset, injects capital and expertise into redevelopment, bringing a mutually beneficial arrangement to distressed buildings and balance sheets.

- **Revenue Participation:** The Council then takes a share of the development profits and, crucially, can retain the asset as a “Build to Rent” (BtR) investment. This effectively swaps a declining revenue stream (parking fees) for a stable, long-term revenue stream (residential rent).
- **Risk Sharing:** The JV structure allows the Council to de-risk the planning and construction phase while ensuring they capture the long-term uplift in value.



## Cost-Benefit Analysis for Councils

A robust cost-benefit analysis for releasing a greyfield site must therefore look beyond simple land value.

Financial Costs/Risks	Financial Benefits/Gains	Socio-Economic Multipliers
Loss of Parking Revenue (Immediate)	Capital Receipt (Land Sale)	<b>Expenditure Retention:</b> Residents spend locally (£2.7bn/81k homes)
Transaction Costs (Legal, Remediation)	Council Tax (Recurring)	<b>Footfall Stability:</b> 24/7 activation of town centre
Displacement of Shoppers (Footfall risk)	New Homes Bonus (Grant)	<b>Reduced Maintenance:</b> Liability for crumbling concrete removed
Infrastructure Upgrades (Grid, Water)	S106 / CIL Contributions	<b>Health &amp; Wellbeing:</b> 15-minute city benefits
Political Risk (Resident backlash)	Share of JV Profits (Rent)	<b>Green Belt Protection:</b> Saves edge-of-town land

Table 1: Cost-Benefit Analysis Matrix for Greyfield Disposal.

# Strategic Benefits for Mid-Sized Conurbations (5k-225k)

The policy of converting car parks and malls is particularly potent for towns in the 5,000 to 225,000 population bracket. These settlements face different dynamics than core cities.

## Expenditure Retention and the “Stopping Power”

Research indicates that town centre living creates a “captured market.” Unlike commuters or weekend shoppers, whose footfall is transient and peaky, residents provide a consistent baseline of demand for local services. The “[Economic Footprint of House Building](#)” report estimates that new housing generates significant resident spending. This translates to £2.7 billion nationally for every 81,600 homes. For a town of 50,000 people adding 500 town-centre homes, this translates to millions of pounds in retained Gross Value Added, supporting the transition from a “retail-only” high street to an “experience-based” economy (cafes, gyms, services).

Value through additional footfall can vary depending on the supply of experiences within the highstreet – in towns where there are more cafes, restaurants, bars, etc, rather than the type or variety of retail shopping supplied. Rather than ‘popping-to-the-shops’, which only benefits defined demand functions for consumers (such as visiting a pharmacist, jewellery shop, or opticians, for

example), the involvement of leisure and hospitality can extend the lifespan of footfall. In ballistics, this is known as stopping power, where the slow down in the projectile causes greater effect. Without attractive community, leisure, or hospitality options, the recovery of the high street is held back – but without the initial footfall through local residents, it matters less.

As [Taecharungroj and Ntounis \(2024\)](#) shows, a third ‘primary’ factor in determining footfall is tourism. Whilst there is a higher propensity to spend for tourists, the existence of long-term residence provides higher security and sustained businesses for the high-street – simply, this is why cities with higher household to business ratios have more successful high-streets, such as with the regeneration of Manchester City Centre. Data from the [Local Democracy Reporting Service](#) indicates that in 1990, fewer than 500 people lived in a square mile radius of Piccadilly Square Gardens, whereas today that has expanded to over 100,000.

The evidential base for a sustainable, and indeed growing high street or town centre shows that residence should be concentrated more densely in the locale than it currently is. By combining more affordable units, thus increasing the disposable income of residents, with an integrative masterplan, local towns will enjoy a more equitable and sustained regeneration.



# Reviewing Council Capabilities in Redevelopment

Owing to the legislative, financial, and policy environment surrounding conurbation governance, it is important to engage councils in their plans to redevelop their town centres. We submitted three sets of Freedom Of Information Requests to: North Kesteven District Council, Mid Devon District Council, Tamworth Borough Council, Portsmouth City Council, North Lincolnshire Council, Cheshire East Council, and Sefton Metropolitan Borough Council.

We asked: "What is the operating capacity of X council's regeneration and planning teams, and whether this capacity would allow for the delivery of large scale regeneration projects in the Borough.", "The grades of officers in the planning and regeneration departments, and their length of service at the council.", and "How many regeneration projects the council has delivered since 2010."

Unfortunately, the quality of answers from our inquiries was varied, and often occlusive. Nonetheless, we found that councils had good staffing levels in their planning and redevelopment teams - Cheshire East Council employs 106 members of staff in its planning facility, with 6 officers dedicated to regeneration. Other councils did not indicate the size of their planning offices, but did highlight that there were multiple investments

exceeding £30m in each of their jurisdictions - owing to their failure to define 'regeneration', working out where resources were being targeted was difficult to ascertain across our research parameters.

Whether the poorer quality of some of these FOI responses were connected to, or separate from, the councils' attitude towards working constructively with industry in regeneration and redevelopment is difficult to calculate. There still exists, nonetheless, interest from councils in repairing and renewing their town centres through a mix of mixed-use, residential, leisure, retail, and transportation projects, depending on the needs of the town's population.

We would recommend that councils publish clear, public documents ascertaining their capacity limitations but intentions for development, in order to garner additional funding and support from the private sector, and central government. They should also outline what additional requirements they need to redevelop and regenerate topographies within their jurisdiction, which would permit an easier signal for developers to contribute to council projects.



# Conclusions and Recommendations

The “Brownfield Passport” and the unlocking of “Greyfield” land represent a vital supply-side reform for the UK housing market. By establishing a presumption in favour of development, the government can de-risk the regeneration of the nation’s failing car parks and shopping malls. However, legislation is not a silver bullet.

## For Policy Makers:

- ▶ Implement “Minimum Density Standards” (e.g., 4 storeys) for town centre passports to prevent under-development.
- ▶ Standardise process for reclaiming VAT costs across the board, as the current system creates additional costs and inconvenience to developers.
- ▶ Expand Full Expensing to retro-fit and refurbishment, with the conditions being meeting the most up to date building standards and Future Homes Standard.
- ▶ Increase the emphasis on design during the Prior Approval process.
- ▶ Councils to move from asset disposal to Strategic Joint Ventures or partnership models with developers, using land equity to capture long-term revenue streams and replace lost parking income or include the land at nil value to incentivise developers to retain the structure.
- ▶ Utilise LDOs to proactively zone greyfield sites, signaling to the market that the “principle of development” is settled.
- ▶ Implement the Brownfield Passport scheme by June 2026, with an emphasis on design-led redevelopments, as per the guidance in the NPPF relating to Communities.
- ▶ Civil Servants should use the Newcastle Under Lyme redevelopment by Capital & Centric as a ‘guiding star’ for mid-sized town redevelopment policy moving forward.

By treating the “Greyfield” estate not as a liability but as a strategic reserve of urban land, the UK can simultaneously solve its housing crisis, decarbonise its built environment, and revitalise the hearts of its communities.



An aerial photograph of a city street grid, overlaid with a semi-transparent dark purple filter. A central rectangular area, representing a car park, is highlighted in white. The surrounding area shows a dense urban layout with various building footprints and street patterns.

# **THE GREYFIELD RENAISSANCE**

## **CONVERTING CAR PARKS INTO HOMES**



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