

Ms. Laura Dorbeck
Regeneration and Planning
London Borough of Camden
Town Hall
Judd Street
London
WC1H 9JE

Our ref: APL-374
Your ref: 2023/0383/P
Date: 05/10/2023

Dear Ms Dorbeck,

Application for Variation of Condition 2 of approved planning application ref. 2020/5444/P at 551-557 Finchley Road, London, NW3 7BJ

Justification on loss of commercial floorspace

We write with reference to the above application and with regard to the loss of the commercial floorspace as part of the amendments to the consented scheme.

As part of the amendments, there will be a reduction in the amount of commercial space being provided on site. This matter has arisen since the original grant of planning permission, wherein the next stage of the design process identified changes where are necessary to meet Building Regulations. The proposed amendments to the layout are required to ensure that the development complies with Fire Safety Regulations, which is essential for safety.

The amendments to the approved scheme will see the commercial floorspace reduced by 61m² from the consented development. Whilst there is a small loss in commercial floorspace, the proposal will still provide 184m² of non-residential floorspace. Moreover, it will still ensure that this frontage along Finchley Road, which has been a blank, inactive frontage for over 20 years, is returned to an interesting and attractive frontage. Given the absence of business uses on the Site, there will be no existing businesses displaced or affected by this minor reduction in floor area.

Policy Context

The following policies are considered most relevant to the proposed amendments:

Camden Local Plan (2017)

Policy TC3 (Shops outside of centres)

Policy TC3 of the local plan seeks to protect shops outside of recognized centres, with the policy stating that:

The Council will only grant planning permission for loss of a shop outside designated centres provided:

1. alternative provision is available within 5-10 minutes' walking distance;
2. there is clear evidence that the current use is not viable; and
3. within the Central London Area, the development positively contributes to local character, function, viability and amenity.

Policy E2 (Employment premises and Sites)

Policy E2 seeks to protect premises or sites that are suitable for continued business use, in particular premises for small businesses, businesses and services that provide employment for Camden residents and those that support the functioning of the Central Activities Zone (CAZ) or the local economy.

Fortune Green and West Hampstead Neighbourhood Plan (2015)

Whilst the Camden Local Plan is the most recent policy in the development plan, the following policy is relevant to business and employment uses:

Policy 12 (Business, Commercial and Employment Premises and Sites)

Policy 12 of the Fortune Green and West Hampstead Neighbourhood Plan, echoes the requirements of policy E2 and states that development shall promote economic growth and employment, and that developments that provide sites and premises for business, commercial and employment use will be supported. It goes on to state that development of commercial premises shall support economic growth and employment by:

1. A presumption in favour of retaining existing employment sites.
2. Ensuring that where the redevelopment of existing employment sites takes place, the level of employment floorspace is maintained or increased.
.....
3. The provision of additional and /or new business space.
.....
5. The provision of flexible business and commercial space suited to a range of uses.
6. The provision of a range of different sized units, particularly smaller spaces for micro-businesses and studio space.

Evaluation

In assessing the loss of floorspace, it is key to note that the proposals will not result in the loss of any shops, which is the key requirement of policy TC3. Whilst there will be a reduction in floor area, this does not affect the frontage. The proposals will still deliver the same frontage to a currently inactive façade and bring the benefits associated with this.

This submission is supported by a letter from a local property consultant, Estate Office. Estate Office have been involved in the Site for several years, also providing the marketing evidence for the initial planning consent, therefore being involved in extensive efforts to lease the building to potential tenants after the Hampstead School of English vacated. Unfortunately, these endeavours yielded no positive outcomes over the course of 24 months.

The letter highlights that the Finchley Road area is currently experiencing a notable surplus of vacant commercial premises within a one-mile radius of the Site, with this oversupply of available spaces presenting a challenging market environment for securing long-term tenants. They note that it has become increasingly apparent that reducing the size of the commercial spaces within the building to create smaller, more manageable units is a strategic and viable approach to enhance the property's marketability and expedite the leasing process.

The letter notes the following key points:

Market Demand: *The demand for larger commercial spaces, such as the one originally configured within your building, has dwindled in recent years. Potential tenants, especially smaller businesses and startups are increasingly seeking smaller, more cost-effective spaces.*

Competitive Advantage: *By subdividing the commercial space, your property will become more competitive in a market saturated with larger, unoccupied premises. Smaller units are more likely to attract a broader range of potential tenants.*

Faster Occupancy: *Smaller units are generally easier to lease due to their reduced space requirements and lower operating costs. This adjustment could significantly expedite the leasing process, resulting in a faster return on investment.*

Adaptability: *Smaller units offer greater adaptability to accommodate diverse businesses, allowing for more flexible leasing arrangements that can cater to various tenant needs.*

Local Market Conditions: *The current state of the Finchley Road commercial real estate market suggests that a reduction in commercial space will align with prevailing trends and enhance the building's competitiveness.*

In conclusion, the letter notes that the size of the commercial space proposed aligns with the current market conditions and trends in the Finchley Road area and that given the significant surplus of vacant premises in the vicinity, the proposal is likely to have a positive impact on the scheme and the surrounding areas, as it increases the building's marketability and potential for occupancy.

Whilst, it is acknowledged that the amendments to the commercial floorspace within the scheme are driven by the ability to meet fire regulations, smaller units align with current market trends and will enable the successful occupation of these commercial units.

Conclusion

The amended scheme would continue to align with the objectives of the aforementioned policies providing space for new commercial uses in the area to the benefit of local residents. The development does not only bring back an active frontage, which has been inactive for over 20 years, but implements historic shopfronts, being a vast improvement to the street scene. The reduction in floor area does not affect this. Furthermore, no businesses will be displaced by this fairly minor loss in floor area.

Whilst the amendments are required to enable compliance with fire regulations, the reduction in floorspace has been demonstrated to align with current market trends and enable the successful occupation of the units, and thus the schemes' overall enhancement to the area.

Without the amendments, the scheme will be undeliverable, and the identified benefits for the locality will be lost.

Yours sincerely

William Docherty

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Arrow Planning