

# Ground Floor, The Lantern (formerly Stephenson House), 75 Hampstead Road, Camden, London NW1 2PL

On behalf of: Lazari Properties 8 Ltd

December 2023



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75 Hampstead Road, Camden, London, NW1 2PL**

On behalf of: Lazari Properties 8 Ltd

Date: 8 December 2023

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## Contents

## Page Appendices

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1	Introduction	4
2	The Site	5
3	Background and Recent Planning History	6
4	Proposals	8
5	Policy Context and Assessment	12
6	Conclusions	17

# 1 Introduction

- 1.1 This Town Planning Statement (the 'Statement') has been prepared by Gerald Eve LLP, on behalf of Lazari Properties 8 Ltd (the 'Applicant'), in support of an Application for Full Planning Permission for the use of the ground floor unit on Drummond Street and the ground floor northern area of office floorspace to a flexible Class E (restricted to (a), (b), (c) and (g)(i)) and Class F1(a) use, at The Lantern, 75 Hampstead Road, Camden, London, NW1 2PL ('the Site'). The London Borough of Camden ('LBC') is the Local Planning Authority for development within the area in which the Site is located.
  
- 1.2 This Statement provides a comprehensive review of relevant national, regional and local planning policy and in relation to the Site application proposals. It sets out the planning justification for the Proposed Development and contains a detailed assessment in relation to relevant development plan policies and other material planning considerations.

## 2 The Site

2.1 The Lantern lies at the junction of Hampstead Road and Drummond Street within the London Borough of Camden (LBC), just north of Euston Road, west of Euston Station and to the east of Regents Park. As set out in the next section of this letter, The Lantern has planning permission for a mix of uses, including offices, healthcare, retail, café and residential floorspace, originally granted under planning permission ref. 2017/3518/P, in March 2018.

The units within the Lantern which this application relates to only, include:

- 1) Ground Floor unit on Drummond Street, which is permitted as Class E (a) and (b) use (as permitted under application ref. 2022/2805/P). We note that prior to this, under the original consent (ref. 2017/3518/P) it was permitted as a flexible B1/D1 use; and
  - 2) Northern floorspace of the Ground Floor unit, which is permitted as Office (B1) floorspace (which now falls within Use Class E) under the original consent (ref. 2017/3518/P).
- 2.2 The site lies within the Central London Area. The building is not listed and does not lie within a Conservation Area, nor are there any listed buildings or Conservation Areas immediately adjacent to the building.
- 2.3 The site lies within the Euston Area Action Plan which divides the Euston area into six character areas; the site is within the Regent's Park Estate Character Area. The site is not however, located within a Town Centre.
- 2.4 The site sits within two of the Mayor's protected views as specified within the London View Management Framework; the Wider Setting Consultation Area of the view from Greenwich Park Wolfe statue to St Paul and the Landmark Viewing Corridor from Parliament Hill to the Palace of Westminster.

### 3 Background and Recent Planning History

3.1 Planning permission (ref. 2017/3518/P) was granted on 09 March 2018 for:

"Extensive internal and external refurbishment of Stephenson House to provide a ground plus 7 storey building containing 16,709sqm (GIA) of office (B1) floorspace, 904sqm (GIA) of flexible office/healthcare (B1/D1) floorspace, 857sqm (GIA) of retail (A1) floorspace, 118sqm (GIA) of cafe (A3) floorspace and 17 residential (C3) units (total 2,296.8sqm GIA), comprising 11 market units (1x1 bed, 6x2 bed, 4x3 bed) and 6 affordable units (3 x2 bed and 3x3 bed). The works include the removal of existing colonnade to Hampstead Road elevation, creation of double height entrance on Hampstead Road, multiple storey extensions and infills to the building, creation of three terraces to the rear, three integral pocket gardens to the Hampstead Road elevation and balconies facing Hampstead Road to all residential units. Addition of PV panels to the roof, 249 commercial cycle parking spaces, 33 residential cycle parking spaces, 4 disabled car parking spaces and associated landscaping and works".

3.2 Following this, an application for minor material amendments (ref: 2018/0663/P) under Section 73 of the Town and Country Planning Act 1990 (as amended) to planning permission 2017/3518/P was approved on 2 July 2018 for:

"Variation of condition 2 (approved plans) of 2017/3518/P dated 08/03/2018 (for extensive refurbishment of building and extensions to create 16,709sqm office, 904sqm flexible office/healthcare, 857sqm retail, 118sqm café and 17 residential units (including 6 affordable) and associated works (summary)) namely to demolish 60% of the existing primary structure (as opposed to 30%) and to increase the overall height of the building by 450mm."

3.3 The conditions attached to planning permission 2018/0663/P have since been discharged.

3.4 The permission has been built out, with practical completion taking place on 23 June 2022 and our client is now in the process of securing tenants for the scheme.

- 3.5 On 4<sup>th</sup> August 2022 planning permission (ref. 2022/2805/P) was granted for the, ‘Change of use of the Class A1 (retail) ground and lower ground floor units on Hampstead Road to Class E (restricted to (a - retail) and (e - medical/health services)); and change of use of the flexible Class B1/D1 (office/community) ground floor unit on Drummond Street to Class E (restricted to (a - retail) and (b - food and drink)).’
- 3.6 This permission has partially been implemented, with tenants taking on the lower ground and ground floor units on Hampstead Road. The ground floor unit on Drummond Street, to which this planning application partially relates to, remains vacant and has not been leased.
- 3.7 The permitted land uses at The Lantern therefore, include, office floorspace, flexible retail/healthcare floorspace, and flexible retail/café floorspace, (all of which now falls under Use Class E); and 17 residential (C3) units, comprising 11 flexible Class C3/Sui Generis units and 6 affordable units.
- 3.8 In respect of proposals sought under this planning application, a pre-application submission (Pre-Application Ref: 2023/3969/PRE) was made on 12<sup>th</sup> September 2023 and a meeting was held on site with the case officer on 27<sup>th</sup> October 2023 to discuss the proposals. Pre-application advice was received from LBC on 29<sup>th</sup> November 2023 which concluded that the proposed flexible use for commercial and education use would not affect the economic vitality or viability of the area, and although over 1000 sqm. of office floorspace would potentially be lost as a result of the proposed change of use, the quantum of floorspace was considered to be relatively modest given the overall supply of additional office floorspace within the building as part of the wider development.

## 4 Proposals

- 4.1 Following a period of extensive marketing of the vacant floorspace subject to this planning application, a potential tenant, First Intuition, who are an award-winning professional education provider, specialising in accountancy, are committed to occupying (subject to planning permission) the Drummond Street ground floor unit, together with the Northern floorspace of the Ground Floor unit (totalling 1,575.5 sqm. of floorspace).
- 4.2 The details of the units are specified below and within the Drawings, as enclosed as part of this application submission. Please also refer to the supporting statement prepared by First Intuition Limited for further details on the proposed tenant.
- 4.3 This application therefore, seeks planning permission to widen the current permitted uses for the ground floor unit on Drummond Street and the ground floor northern area of office floorspace only, whilst still placing restrictions over the full Class E uses.
- 4.4 Planning permission is sought from the London Borough of Camden for the:
- “Change of use of ground floor unit on Drummond Street from Class E (a) and (b) to a flexible Class E, restricted to (a - retail), (b – food and drink), (c – financial and professional services) and (g)(i - office); and Class F1(a) use and change of use of northern floorspace of the ground floor unit from Office (B1) floorspace (which now falls within Class E) to a flexible Class E, restricted to (a – retail ), (b – food and drink), (c – financial and professional services) and (g)(i - office)); and Class F1(a - education) use.”**
- 4.5 Our client is therefore, seeking the use of two units at ground floor level of The Lantern, as follows:
- 1) Ground Floor unit on Drummond Street - use proposed from Class E (a) and (b) to a flexible Class E, restricted to (a), (b), (c) and (g)(i); and Class F1(a) use. This will ensure that there is no perceived loss of retail use, as permitted;

2) Northern floorspace of the Ground Floor unit - use proposed from Office (B1) floorspace (which now falls within Class E) to a flexible Class E, restricted to (a), (b), (c) and (g)(i)); and Class F1(a) use. This will ensure that the office use will still be retained.

4.6 The unit fronting Drummond Street, and the northern floorspace of the ground floor unit are proposed to be amalgamated to form one Class E unit, albeit restricted to flexible retail/café/restaurant/business (Class E (a), (b), (c) and (g)(i)); and education use (Class F1(a)), to enable First Intuition to occupy the amalgamated floorspace. In theory, the proposals would not result in any loss of the existing Class E (a) and (b) in respect of the ground floor Drummond Street unit; or any loss of the of the existing Office floorspace at the northern ground floor unit, as these units have remained permanently vacant and their permitted uses have not yet been instituted. Furthermore, the proposal for a flexible use and general widening within the Class E, Commercial, Business and Service Use Class of these units ensures the existing permitted uses are also retained and could be reverted to in the future.

4.7 It should be highlighted that in addition to the education training taking place on site, office and break out space are also proposed to be provided. Therefore, office use would be ancillary to the education use.

4.8 The proposed tenants (First Intuition) are proposing to provide a reception and café style entrance area to the unit fronting Drummond Street, ensuring an active frontage along Drummond Street is created. Furthermore, our client is intending to include some restrictions within the tenant's lease to ensure that the active frontage is maintained e.g. preventing glazing being obscured.

4.9 The proposals would not be CIL liable as they do not create any gross internal uplift in floorspace, nor do they introduce new residential (Class C3) floorspace.

4.10 Since Practical Completion (PC) of the building in June 2022, The Applicant has been fortunate to let the vast majority of the building either prior to PC or just after. However, in the case of the Ground Floor for which this application relates, remains vacant. There has been only sporadic interest, despite a comprehensive marketing campaign both pre and post PC of the building. We understand from the feedback of these marketing campaign that there are a number of unavoidable design implications for this, including:

- A lack of natural light at the rear of the ground floor unit, despite it being at the base of the atrium and notwithstanding the inclusion of roof lights.
- A lack of outdoor amenity space.
- The subject floorspace extends deep into the ground floor plan. It therefore only benefits from limited street frontage at the entrance to the unit from Drummond Street, further accentuating the issues with natural light; and provides difficulties for potential tenants in planning and efficiently accommodating the internal space.
- Modern occupier preference to be on upper floors in a multi-tenanted building.
- The Ground floor is a comparatively large area comprising circa 1,500 sq. m. in total. This has often resulted in the footprint being considered too large for prospective occupiers and hence the original decision to split the spaces at the Ground Floor into different Units, however the entirety of the ground floor remains vacant.

4.11 The Applicant has advised that generally the retail market has been depressed, which has resulted in these units remaining unoccupied since PC. The serious interest that the Applicant has had on the Ground floor offices from prospective occupiers has been from Businesses who see value in utilising the 'western' retail unit to create a self-contained entrance linking directly into the Ground Floor Unit with the opportunity to brand this arrival experience. Given market conditions, the Applicant has also struggled to let the retail units since PC, particularly the units on Drummond Street, again despite undertaking a comprehensive marketing campaign over the past 18-24 months.

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- 4.12 As a result of changing modern user requirements, the ground floor, due to its lack of natural light and amenity, has suffered. However, demand has been relatively robust from other business/commercial users hence the interest expressed from First Intuition, and the need to widen the existing permitted uses. This is further backed up by the Ground and Lower Ground floor pre-let that the Applicant completed with BUPA earlier in the year which required Change of Use (application ref. 2022/2805/P). The serious interest from First Intuition now presents an opportunity for take up of the vacant space subject to planning permission.
- 4.13 It should also be highlighted that First Intuition have specific user requirements particularly around Mechanical ventilation, specifically the quantum of fresh air required. The Lantern is able to meet these requirements in order to accommodate this particular element of First Intuitions brief, which we note that few buildings are able to accommodate.

## 5 Policy Context and Assessment

- 5.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004 (“the Act”) the proposals must be assessed against the “Development Plan” and other material considerations. In this case, the local development plan comprises, at a regional level, of the London Plan (March 2021), and at the local level, the Camden Local Plan (July 2017). The National Planning Policy Framework (NPPF, 2023) also represents a material consideration.
- 5.2 As indicated within the background to the proposals section above, the ground floor unit on Drummond Street originally had permission to be a flexible B1/D1 use. Due to this use remaining vacant since PC, application 2022/2805/P was submitted and granted for the change of use of this unit (including the change of use of the ground and lower ground floor units on Hampstead Road) to Class E (a) and (b) use. This unit has not been leased, however, the ground and lower ground floor units on Hampstead Road have been leased and as such the permission has been partially implemented.
- 5.3 The northern floorspace of the ground floor unit is permitted as Office (B1) use under the original consent (ref. 2018/0663/P) has never been leased and remains vacant.
- 5.4 The following section assesses the proposed widening of permitted uses in accordance with planning policy.

**Land Use - Ground Floor unit on Drummond Street: Widening of existing Class E (a) and (b) use to include Class E (c), (g)(i) and F1(a)**

- 5.5 Local Plan Policy TC3 of the Local Plan, sets out the Council’s position in relation to shops outside of town centres. The policy states that “the council will only grant planning permission for loss of a shop outside designated centres provided:
- a) alternative provision is available within 5-10 minutes’ walking distance;

b) there is clear evidence that the current use is not viable; and

c) within the Central London Area, the development positively contributes to local character, function, viability and amenity”.

5.6 In theory, the proposals would not result in any loss of the existing Class E (a) and (b) as this unit remains vacant and their permitted uses have not yet been instituted. Furthermore, the proposal for a flexible use and general widening within the Class E, Commercial, Business and Service Use Class, alongside educational use of this unit ensures the existing permitted uses are also retained and could be reverted to in the future.

5.7 The proposal seeks to expand the permitted retail and food and drink uses to include other uses within Class E and also to include F1(a) use, to ensure the units remain flexible to the market and allow occupation of this vacant floorspace. On a without prejudice basis, parts a-c of Policy TC3 are addressed below.

5.8 To address part a of Policy TC3, the proposed use of the unit fronting Drummond Street is for a Class E (a), (b), (c), (g)(i) and F1(a) flexible retail/café/restaurant/business/education use. While the operations of the proposed tenant, First Intuition, would not include a retail element, the flexible use sought safeguards the unit to be used as retail floorspace in the future.

5.9 The proposed flexible retail/café/restaurant/business and education use will therefore, continue to protect the retail provision around Euston Station in accordance with Local Plan policies TC1 and TC2.

5.10 We also highlight that the site is not located within a designated town centre and this area of Drummond Street is not allocated as a retail frontage.

5.11 Further, given that the Site is located within Camden’s Central London Area, it sits in close proximity to a number of central London shopping areas including Hamstead Road, Albany

Street and Fitzrovia. These areas provide shopping facilities in London, thus sufficient additional provision is also available within 5-10 minutes' walk of the site.

- 5.12 To address part b of Policy TC3, the unit on Drummond Street is currently unoccupied and it has been difficult to find suitable retail tenants in the current climate. First Intuition, an education/training provider has expressed serious interest to lease this unit. It is required that the use of the unit fronting Drummond Street is expanded to also allow for Class E (c) and (g)(i) business/office and F1(a) education use (in addition to Class E (a) and (b) use), to ensure that the unit can be occupied as soon as possible.
- 5.13 With regards to part c of Policy TC3, the proposed widening of the proposed Class E (a), (b), (c), (g)(i) and also F1(a) use is considered to improve the local character, function and viability of the area. The proposed use will result in the occupation of the unit offering an education/training centre with ancillary office and break out space and a reception/café area to the Drummond Street unit, to cater for professional firms and other large clients, with many of their clients being based in Camden themselves, as are some of First Intuitions prospective clients also. The proposed use will also maintain an active frontage.
- 5.14 The Euston Area Plan's vision is to rejuvenate the area 'as both a local hub of activity and a gateway to London'. The proposed use (which will continue to be an active use to the Drummond Street unit) will ensure this vision is met. In addition, once Crossrail is open at Euston, Drummond Street will be an important route between the station and Regent's Park (as stated in the Euston Area Plan), this use to flexible retail /café /restaurant /business / education will therefore enhance this part of the route whilst harnessing benefits to the local residents, businesses and tourists.
- 5.15 Additionally, an active frontage is proposed to be maintained on Drummond Street allowing the continuation of ground floor activation.

**Land Use – Northern floorspace of the Ground Floor unit: Widening of existing B1 Use (now considered under Class E) to include Class E (a), (b), (c), (g)(i) and F1(a)**

- 5.16 LBC Local Plan Policy E1 states that the Council will “secure a successful and inclusive economy in Camden by creating the conditions for economic growth and harnessing the benefits for local residents and businesses” and will, “g. support Camden’s industries by: i. safeguarding existing employment sites and premises in the borough that meet the needs of industry and other employers...” and “...i. recognise the importance of other employment generating uses, including retail, education, health, markets, leisure and tourism...”
- 5.17 LBC Local Plan Policy E2 states that, “...We will 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.
- 5.18 We will resist development of business premises and sites for non-business use unless it is demonstrated to the Council’s satisfaction:
- a. the site or building is no longer suitable for its existing business use; and
  - b. that the possibility of retaining, reusing or redeveloping the site or building for similar or alternative type and size of business use has been fully explored over an appropriate period of time.”
- 5.19 The current permitted use of the northern floorspace of the ground floor unit is Office (B1), now Class E. This unit is proposed to be amalgamated with that of the unit on Drummond Street and for a flexible use and general widening within the Class E, Commercial, Business and Service Use Class, alongside Class F1(a) to be applied.
- 5.20 The office floorspace subject to this planning application remains vacant and has never been used or occupied by a business use. As such the proposals will not result, in theory, to the loss of a business use. Furthermore, the proposal for a flexible use and general widening

within the Class E, Commercial, Business and Service Use Class, alongside educational use of this unit ensures the existing permitted office use is retained and safeguarded and could be reverted to in the future.

- 5.21 Furthermore, the proposed tenant, First Intuition, alongside using the amalgamated units as an education/training centre, will also include ancillary office and break out space.
- 5.22 Please refer to the details within the proposals section above in relation to the difficulties around leasing the units to date. The Applicant has undertaken a comprehensive marketing campaign for an appropriate period of time over the past 18-24 months (both pre and post PC of the building) with only sporadic interest in respect of the ground floor from non wholly office; and business/commercial users in particular, which has resulted in the units remaining unoccupied.
- 5.23 The proposals would result in a truly mixed use development.



## 6 Conclusions

- 6.1 It is concluded that the Proposed Development accords with national policy objectives and the relevant policies of the development plan. The proposals are therefore considered to be acceptable and as such, the application for Full Planning Permission should be granted accordingly.

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