

Planning Support Statement

Kings Mews, London WC1

August 2012

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1. Introduction – Farebrother Chartered Surveyors, who are we?

Farebrother are the leading firm of Chartered Surveyors dealing with Commercial Property in London's Midtown. A Private Partnership, founded in 1799 by Charles Farebrother, we were founder members of The Royal Institution of Chartered Surveyors. Farebrother are one of the industry's most respected and experienced firms specializing in office lettings in Midtown.

Farebrother currently have in excess of 70 letting and sales instructions within London's Midtown area and represent a diverse collection of landlords and occupiers ranging from The Corporation of London, The Middle Temple, The Rugby School Estate, The Bedford Charity, The Prudential and Lewis Silkin Solicitors.

Farebrother are founder members of the Midtown Business Club (londonmidtown.org) promoting Midtown and encouraging a diversification of occupiers and developments from offices to shops to residential and hotels.

The owners of 26, 27, 28, 29 & 30 Kings Mews approached Farebrothers following the submission of detailed planning applications in respect of each of the aforementioned properties.

The existing buildings comprise largely of vacant storage/ office accommodation. The space, apart from 30A was last used as storage/ ancillary office accommodation linked to an electrical wholesale unit on Gray's Inn Road. This used ceased prior to the grant of a planning consent for the comprehensive redevelopment for residential at 23-30 King's Mews & 43-45 Gray's Inn Road in 2009 (2009/0710/P).

Following the grant of planning consent the King's Mews warehouse buildings were broken up and sold to individual purchasers. Each individual owner has subsequently worked up alternative proposals to redevelop the various King's Mews properties as individual houses/ flats.

Four individual planning applications have been submitted in respect of 26,27,28 and 29/30. The applications are being considered by Camden case officer, Rob Tulloch. Following a review of the application material submitted, Mr Tulloch confirmed that he would like further justification for the loss of employment space.

Specifically he asked the applicants to provide agency/ marketing commentary as to why the existing buildings are no longer suitable for a continued use Class B8/B1 use and the performance of the office market in the area.

Unknown

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In response to this additional information request the applicants appointed Farebrother's. Iain Malcolm who is a Partner of Farebrother and has been with the firm for some 20years dealing principally with the Midtown area has prepared the report. Prior to joining Farebrother he was the Partner in charge of Agency at Newton Perkins Chartered Surveyors in the City of London. He deals with all aspects of office agency and professional advice for both landlords and tenants throughout Central London. Iain now has some 38 years experience in the Central London Market

2. The Existing Buildings

I inspected the properties on the 9th August 2012 and made the following observations:-

No's 26, 27, 28 & 29-30 Kings Mews together comprise a redundant purpose built 1950s/60s brick/asbestos warehouse, arranged over ground & first floors.

29/30 King's Mews is a 3 storey brick/concrete property built in 1974/5.

The second floor residential flat in 29/30 King's Mews is occupied, otherwise all are vacant.

1. The units are all in poor condition, and require substantial remedial work as well as modernisation.
2. There is no stairway from ground to first floor in 26, 28 or 29/30.
3. I am advised that the roof to 26/7/8 is asbestos corrugated sheet, there is no insulation and the space is unheated.
4. Out of the 7 units, (including 23/4 & 25) only 3 have wc's, only 2 have mains electricity, the roof to 29/30 leaks, the walls of 29/30 suffer from deleterious concrete.
5. There is only a single door access into 27 KM, and no door access into 26 KM

Suitability

I understand that since the previous 2009 application, the units have been sold into

separate ownership. Although they are currently connected, they will have to be separated and let individually. So the potential market is limited to small occupiers.

Demand for Storage and/or Distribution Centres is somewhat limited in Central London and the units in question would be far too small. Access for deliveries is also rather limited.

As I understand, each unit now falls below the 235m² limits where B8 could be used as B1 without obtaining change of use planning, and vice versa, so suitability for letting as office space is as relevant as storage/distribution

However, in my opinion, the configuration of the buildings does not lend itself to modern office requirements. Furthermore the individual units created would be quite small and would possibly be suited to "start up" businesses

The majority of new start up enterprises, looking for office space in London are favouring Serviced Office/Business Centre's which can offer fully fitted and furnished high quality offices. These provide Air Conditioned offices, with raised floors, which are fully cabled and have telephone systems installed. They also have Meeting Rooms that can be hired by the hour and Reception and Secretarial facilities. This sort of occupier is looking to keep their start up costs to a minimum and they are unwilling to commit to conventional leases of 3 years or more.

Unfortunately, office rental levels remain at too low a level to justify developing these buildings for B1 office use

3. Office Space Supply & Demand in Midtown & WC1 in particular

There is presently some 1.83M sq ft of office space available in London's Midtown, which is around 5.5% of the total stock. Although this is a low level of availability, this is due to a shortage of new and newly refurbished prime office. There is still a reasonably large amount of secondhand and poorer stock still available. Levels of demand remain low as the economic outlook remains uncertain. The demand that there is, comes from tenants seeking high quality new or newly refurbished offices with Air Conditioning and Raised Floors. We have also seen a good number of Media Companies and Fashion Houses move to WC1 and EC1 over the last few years, to escape high rents and rates in the West End. However they have sought trendy converted warehouse properties, providing large bright open plan floors with exposed surface mounted Air Conditioning and Raised Floors.

Demand for storage, warehouse or distribution space is almost non existent, other than from companies seeking a change of use to a Gym/Fitness Centre or similar. Any such demand is now aimed at purpose built out of town warehouses

Annexed to this report (Appendix 1) is a schedule of small offices and/or storage space, currently available within WC1. It should be noted that there is currently a

substantial amount of available space in the vicinity and many of these units have remained available for a year or more

4. Conclusion

As discussed in this report, the buildings in question are not, in our opinion, “suited to purpose”. We believe occupying this sort of property is becoming less and less attractive to the tenant market. The units are too small and to remedy all defects and improve the units to compete as decent B8 or B1 commercial space would not, in my opinion be economically viable.

Iain Malcolm

Farebrother

Date: 15th August 2012