

Our ref: 1452/HHM/LP  
16 February 2012

James Hicks BSc (Hons) MRICS MBEng  
Cubic Building Surveying Ltd  
Prospect House  
191-199 London Road  
Isleworth  
Middlesex TW7 5XD

Dear Sir

**Re: Proposed Planning Application  
1 Dumpton Place, Camden, London NW1 8JB**

---

- 1.0** Thank you for your instructions dated 23 December 2011, which followed various meeting including those with CGMS Consulting and subsequent correspondence with you relating to the above. As you are aware, I have now had an opportunity to inspect the subject property on two occasions in September and November 2011 and to consider the matter. I have also again inspected the housing development on the former workshop area to the east of the site and the empty warehouse upon which I reported to you in September 2010.
- 1.1** Again for the avoidance of doubt, it is confirmed that I am a Fellow of the Royal Institution of Chartered Surveyors and an Associate of the Chartered Institute of Arbitrators and a Director of surveyors, valuers and estate agents, Pater Johnson Merriman of 43 St John Street, London, EC1M 4AN. I commenced practice in 1966 with the City firm of surveyors Messrs Chamberlain & Willows and was made an equity partner within that firm in 1976. In 1987 the partnership was sold to The Prudential Corporation and I

was appointed a director of their subsidiary Prudential Commercial Properties Services Limited. The central London operation was ultimately sold to me in 1990 trading under the name of Merriman & Partners which in 2003 amalgamated with surveyors Pater Goodman to form Pater Goodman Merriman. The practice was renamed Pater Johnson Merriman in January 2011.

- 1.2** I divide my working time as a general practice surveyor about equally between agency and professional work.
- 1.3** My Company's business mainly consists of the sale, letting, acquisition, valuation and management of commercial property and I am concerned mainly with industrial/warehouse, retail and office property in London and the Home Counties. I have given evidence at numerous inquires both acting for Central and Local Government and private enterprise.
- 1.4** Since the early part of this Century the firm of Chamberlain & Willows and its successors have acted on behalf of a large number of property owners and occupiers within the general area of the subject site. Clients for whom I have acted include the Department of the Environment, the Home Office, Ministry of Defence, Greater London Council, Training and Enterprise Council, National Union of Journalism, J Sainsbury Plc, Tesco Plc, London Fire Brigade, British Rail, British Telecom, British Gas, The Post Office, City of London Corporation, London Borough of Islington and numerous industrial and commercial firms including Thorn EMI, Fairview New Homes Plc, Barratt Homes, Structadene Plc, London Merchant Securities, Rich Estates, Slough Estates, Yianis Group, Hogan Page, Baird and Company, Almeida Theatre, Trust House Forte, S.T.C. and numerous other industrial and commercial firms.

**1.5** I am familiar with the location of the subject property my company currently being instructed to dispose/let a number of buildings in the area.

**1.6** An inspection of the subject site was undertaken recently on two occasions during the months of September and November 2011 with my colleague, Timothy Freeland MRICS. Detailed area inspections were also undertaken during late 2009 and in 2010.

At the time of our inspection the existing commercial property briefly described below was vacant. In 2009 and 2010 it was noted that there was some five office and maintenance staff on site employed by Volvo cars who vacated the property in 2010.

**1.7** In accordance with our recent meeting you have requested that I provide my professional opinion on the following matters:-

- a) The condition and use of the existing site building falling within Use Class B2 of the Town & County Planning (Use Clauses) Order 1987.
- b) The planning application to be submitted by site owners.
- c) General availability and demand for industrial, commercial and office accommodation within the neighbourhood and related employment generation.
- d) Economic viability of development of b) above.

I have seen the following documents:-

- 1.8.1** A copy of a pre-application meeting report prepared by the London Borough of Camden in respect to a proposed planning application being submitted to the Authority for the redevelopment of the subject site.
- 1.8.2** The Primrose Hill Conservation Area Statement issued by the London Borough of Camden and dated January 2001.
- 1.8.3** Camden Employment Land Review issued by the London Borough of Camden, prepared by Roger Tym and Partners and Ramidus Consulting and dated June 2008 and a later document; The London Borough of Camden Business Premises Study issued in March 2011 and prepared by Roger Tym and Grant Mills Wood.
- 1.8.4** Planning proposal to be submitted to the London Borough of Camden.

## **2.0** **Location**

The property is situated within the London Borough of Camden on the western side of Dumpton Place which runs off Gloucester Avenue. The subject site on backland lies parallel to the main railway line serving Euston Station which also incorporates sidings adjacent to the site currently utilized for the cleaning, repair, maintenance and storage of railway carriages. An Ordnance Survey extract showing what is understood to be the extent of the site is attached edged red in Appendix A and a location plan within Appendix B showing the site spot yellow.

- 2.1** The neighbourhood was developed largely from the mid 19<sup>th</sup> Century through the general expansion of London and originally comprised mainly fashionable housing with small scale business tending to be to the east around the Regents Canal. Railway expansion lead to a number of businesses located within easy distance of the main railway line serving Euston Station with access to Gloucester Avenue but this access to the railway has now been blocked off after a period of decline. (One

access way onto the Railway Land was actually from Dumpton Place itself and the original entrance can still be seen today.) Much regeneration has taken place largely due to the neighbourhood being within reach of both the City and West End of London and having excellent public transport connections. I believe it is correct to state that the immediate area surrounding the subject property is predominantly residential in nature.

### **3.0 Primrose Hill Conservation Area**

**3.1** I have studied the Conservation Area document issued by the London Borough of Camden and published in January 2001. The statement as I interpret the document provides an indication of the Council's approach to the preservation and enhancement of the Primrose Hill Conservation Area. The subject site at Dumpton Place falls within sub-area Two – Central area. The report indicated that the residential terraces dominate this area but that 'In Gloucester Avenue, where the width of the land neighbouring the railway line is restricted, there are a number of industrial buildings.'

The document was issued in 2001 and since that time a number of these industrial buildings have either been demolished and redeveloped or refurbished to meet modern tenant demand.

**3.2** In the immediate area to the subject site the industrial properties were mainly occupied by British Rail. At 36 Gloucester Avenue, the former B.R. furniture maintenance factory (B2 in nature) refurbishment has taken place to provide a mix of B1 units and residential flat accommodation. 40 Gloucester Avenue again formerly occupied by BR, now is let to a mix of small office occupiers and design led operations. I have already referred to adjacent back land industrial sites but note that those at 110 and 122 Gloucester Avenue which were formerly industrial buildings now comprise small business B1 units.

- 3.3** The building on the subject site was until recently utilised for uses falling within Class B2 of the Town and County Planning (Use Classes) Order 1987 as amended. The last use was associated with the repair, maintenance and respraying etc. of motor vehicles with associated office and administrative uses. This use does not cohabitate easily next to high value residential uses with not only high levels of noise and pollution but also conflict in respect to access road use and parking. As noted below, due to the height of the ground floor access way from Dumpton Place HGV vehicles cannot access the property. Dumpton Place and the adjoining streets having residents only car parking bays and has yellow street lines.
- 3.4** The Use Classes Order itself issued by Central Government specifically refers to B2 uses as those being inappropriate within residential areas.
- 3.5** Within the London Borough of Camden document 'Shaping Camden – site allocations preferred approach' it states that in respect to Site 41 (Rear of 52-88 and 90-108 Gloucester Avenue which includes the subject site that 'replacement B2 floor space may prove acceptable if it can be demonstrated that the particular proposed use would not detract from the amenities of nearby residential occupiers'. **By the very definition of B2 industrial uses they are inappropriate within residential areas and control once planning consent had been issued would be difficult if not impossible.**
- 3.6** By reference to the Camden Primrose Hill Conservation Area Statement the site is within a predominantly residential area.
- 4.0** **The Existing Site Building**
- 4.1** The existing structure at 1 Dumpton Place comprises a building of post-war construction with a three-storey brick faced building onto Dumpton Place and a

single-storey structure to the rear, having a light, steel roof trusses with corrugated painted metal roof weight finish. The front building is of unusual art deco design with stark unattractive red brick finish and out of keeping metal framed windows. The property having 100% site cover is considered to be completely out of keeping with the character and appearance of other properties in the neighbourhood and the Conservation Area generally. The building has no yard for parking of commercial vehicles with parking restrictions in Dumpton Place and the surrounding area.

**4.2** As an industrial property I formed the view that:-

- a) The site was over developed having 100% site cover.
- b) The property was purpose built and designed as a vehicle repair workshop and would be virtually impossible to divide due to circulation, toilet and service provision and the fire corridor requirement from the rear workshop.
- c) No access to the property for H.G. vehicles due to low structural beams at ground floor access level. The ceiling height is insufficient of HGV's and cannot be increased without demolition of the building fronting Dumpton Place.
- d) Non-compliance with EEC regulations with regard to loading and unloading of goods internally.
- e) There is conflict with adjoining residential occupation relating to loading/unloading; moving of vehicles and parking generally.
- f) The site has no parking and on-site delivery is difficult and limited resulting in hazardous movements to both pedestrians and other

users of the public highway.

- 4.3** *Whilst some redundant vacant properties can be converted to alternative uses or other commercial operations where economic conditions, position of site buildings, access provisions and prevailing structures allow, in this instance the existing building is considered for the reasons set out above to be at the end of its economic and functional life.*

**5.0 Market Conditions and Redevelopment Potential**

- 5.1** The property market in London continues to undergo very dramatic changes as a result of the continuing global credit position and corresponding economic conditions relating to Great Britain, which continues to be widely reported. Further difficulties have been experienced by financial and economic brokers within the E.E.C. The overall result has been a dramatic decrease in the number of property transactions being completed; a corresponding reduction in values obtained and a considerable increase in vacant commercial accommodation. Furthermore this has created a market place with abnormal uncertainty where macro economic crisis can result in dramatic and sudden price change.
- 5.2** The slow down in the market place can very clearly be seen within the localised Primrose Hill Conservation Area. In early 2010 there were twelve B1 units on the market for leasing ranging in size from 69 sq. metres (745 sq. ft.) to 2,052 sq. metres (22,090 sq. ft.). In Autumn of 2010 the various units were still on the market with further accommodation coming to the marketplace. The total area of B1 units to let or for sale being approximately 5,110 sq. metres (55,000 sq. ft.). A little over twelve months later within the same Conservation Area the greater majority of the accommodation is still on the market but the total available floor area has increased to a level of some 8,082 sq. metres (87,500 sq. ft.) in some twenty B1 units. These figures show a considerable increase within a neighbourhood which is predominantly residential.

- 5.3** Again taking into account the Camden area generally from late 2008 to late 2010 there was a doubling of vacant B1 accommodation from some half a million sq. ft. to about one million sq. ft. Today we find that the collapse in the commercial property market has been even greater with currently in excess of six and a half million sq. ft. on the market, the largest proportion of this accommodation being second hand space caused by a general recession of business activity within both the public and private sectors of the economy. The existing supply will satisfy market demand for many years to come.
- 5.4** A further problem when currently contemplating site development is the availability and access to finance which is required to commence and complete a scheme. At the present time finance is extremely difficult to obtain and certainly in secondary positions such as Dumpton Place commercial development funding is unlikely unless a prelet situation was forthcoming on a Lease to an undoubted covenant. Due to depressed values, high lending rates and incentives normally made available to occupiers' viability is a considerable issue now to be faced by developers. Owner occupiers have similar problems due normally to very high deposit amounts being required by lending institutions.
- 5.5** Having considered the development potential of the subject site I have formed the view that industrial and warehouse schemes would not be viable at present and in the foreseeable future and it is currently very marginal whether a B1 development would also be a viable proposition. This again is due to likely covenant strength, increasing building costs (mainly down to materials), rentals achieved and current vacancy rates which affect yields. As noted above, the existing site building is purpose designed and does not meet modern criteria, access and servicing provision.

- 5.6** I have seen the planning application to be submitted to the London Borough of Camden prepared by Chartered Architects PMA which includes a commercial B1 element designed from both B1 office and B1 light industrial use which extends to some 839 sq. metres (9030 sq. ft.). It is interesting to note that the existing gross internal area of the current site buildings including access way and fire escape corridors extend to only a slightly larger floor area of 947 sq. metres (10195 sq. ft.). The modern accommodation proposed is considered more or less identical in size.
- 5.7** What demands exists in the neighbourhood tends to fall within a size range from about 70 sq. metres (750 sq. ft.) to 230 sq. metres/approx. 2500 sq. ft.) and largely derives from 'high-tech', design and creative companies already represented within the Camden environment and who normally require a skilled and adaptable workforce. The application to be submitted allows if necessary for a division of the building into floors and part floors, a service lift and has been designed and with suitable ceiling heights. The accommodation provides for a variety of workshop/office users. The building is designed if required for division into a maximum of seven units ranging in size from 57.6 sq. metres (620 sq. ft.) to 97.2 sq. metres (1046 sq. ft.) have their own toilet facilities with provision for an external loading bay.
- 5.8** In my opinion such a development would considerably enhance the nature and environment of the surrounding Conservation Area and would adequately replace the functionally worn out and poorly designed purpose built structure at present on the site. The proposed accommodation would also provide a flexible approach to marketing and a local demand.
- 5.9** I have been requested to briefly comment on employment generation on the subject site. Notwithstanding my comments on viability of development set out

above there has been during the last fifteen years or so a tremendous loss of semi-skilled manufacturing jobs within the London Borough of Camden. The Council themselves recognise that there is a considerable need for manual employment as the Borough has a considerable percentage of industrial workers having low grade skills. However, the trend has been for industries requiring such manual labour to leave the area whilst the newer “hi-tech” companies requiring a higher-skilled workforce have become established. This revolution has come about during a period of rapid advancement of technology and improvements in communications which helps to explain why established industrial companies operating in older, sometimes worn out building in Camden and surrounding areas have experienced very difficult trading conditions.

- 5.10** As mentioned above the existing site building out moded and commercially obsolescent due to design. If this view is accepted we are looking at a site redevelopment which includes a commercial element with less conflict with its residential neighbours and providing almost the same business floor area as exists at present.
- 5.11** A Camden Employment Land Review has been undertaken for the London Borough of Camden in respect to employment issues within the Borough by Roger Tym and Partners. The Report was issued in June 2008 shortly before the current economic collapse. It will be appreciated that demand has now greatly decreased which of course has not been reflected within the 2008 report. The document is detailed and specific in report terms and records the loss of industrial based jobs and the increase in office occupancy. I also note with interest the recommendation at point 8.3 of the Report relating to relocation of some traditional industrial activity. Not only could commercial B1 consent on part of the site serve basic B1 office requirements but also users which fall into uses allied to that of offices, but are within a B1 light industrial class category. The commercial building as stated

earlier has been designed to accommodate all B1 categories.

**5.12** I have also read a report dated March 2011 issued by the London Borough of Camden entitled 'Business Premises Study'. The report was prepared by Roger Tym and Partners and surveyors Grant Mills Wood long standing colleagues of myself and my Company with whom we have conducted numerous commercial and professional transactions. I note that the Report was based on information obtained in 2008 prior to the commencement of the countries economic collapse which started after that date. However, I actually agree generally with the findings of the report and to its general recommendations. The subject site by definition meets the criteria set out within point 1.2. The site is no longer suitable or should be used for B2 purposes and falls within the category 3 standard as contained at point 2.49. The planning application to be submitted comprises a mixed use development, in keeping with the local Conservation Area status, providing a commercial element comprising light industrial as well as office occupation within the B1 use class. It is considered in this location that rental levels for both office and light industrial use will not be dissimilar. Again looking carefully at the application as already indicated, there is only a minor decrease in business floor space from that within the existing vacant site building.

**5.13** Again considering a typical B1 office use the rate of floor area to worker is in the order of 140 sq. ft. (13 sq. metres) per person. This is against an industrial ratio of about 500 sq. ft. (46 sq. metre) and 950 sq. ft. (88 sq. metres) for warehouse/distribution use. A B1 development as envisaged on part of the subject site would provide considerable more job opportunities within this area of Camden than its existing B2 industrial use.

## **6.0 Summary**

**6.1** The existing purpose built commercial site building does not lend itself to

continued use and almost of post-war construction has reached the end of its useful functional and economic life. The planning use for the property currently falls within Class B2 of the Town & County Planning (Use Classes) Order 1987 which does not compliment the nature of the Conservation Area in which it is located.

- 6.2** Alternative use of the existing property would likely be restricted to warehousing where access is difficult, loading not in line in EEC Directives, the building having no yard.
- 6.3** Financial viability to redevelop this land for commercial B1 use is marginal. Reduced levels of rents received and those likely to be achieved in the foreseeable future, coupled with shorter contractual lease terms and lower tenant demand clearly lead to a development scheme for B1 use being marginal at best.
- 6.4** In the event of a suggested B1 scheme being developed on the site employment generation would be considerably higher than a scheme encompassing warehouse or B2 employment generated uses and would be in greater harmony with the adjoining residential uses of the Conservation Area.

In the very difficult economic times currently being experienced within both the private and public development sectors and likely to exist for the foreseeable future planning uses should be carefully considered that actually return sites into early economic and viable use. It is of little benefit to leave outmoded buildings unused or sites fallow.

It is trusted that the above is of use to you. I would be pleased to provide further information including worked viability studies if requested and indeed meet the Local Planning Authority if felt beneficial. It would appear beneficial to the neighbourhood if a carefully considered scheme was agreed with the local planning authority which could in today very difficult economic conditions be undertaken and the area enhanced.

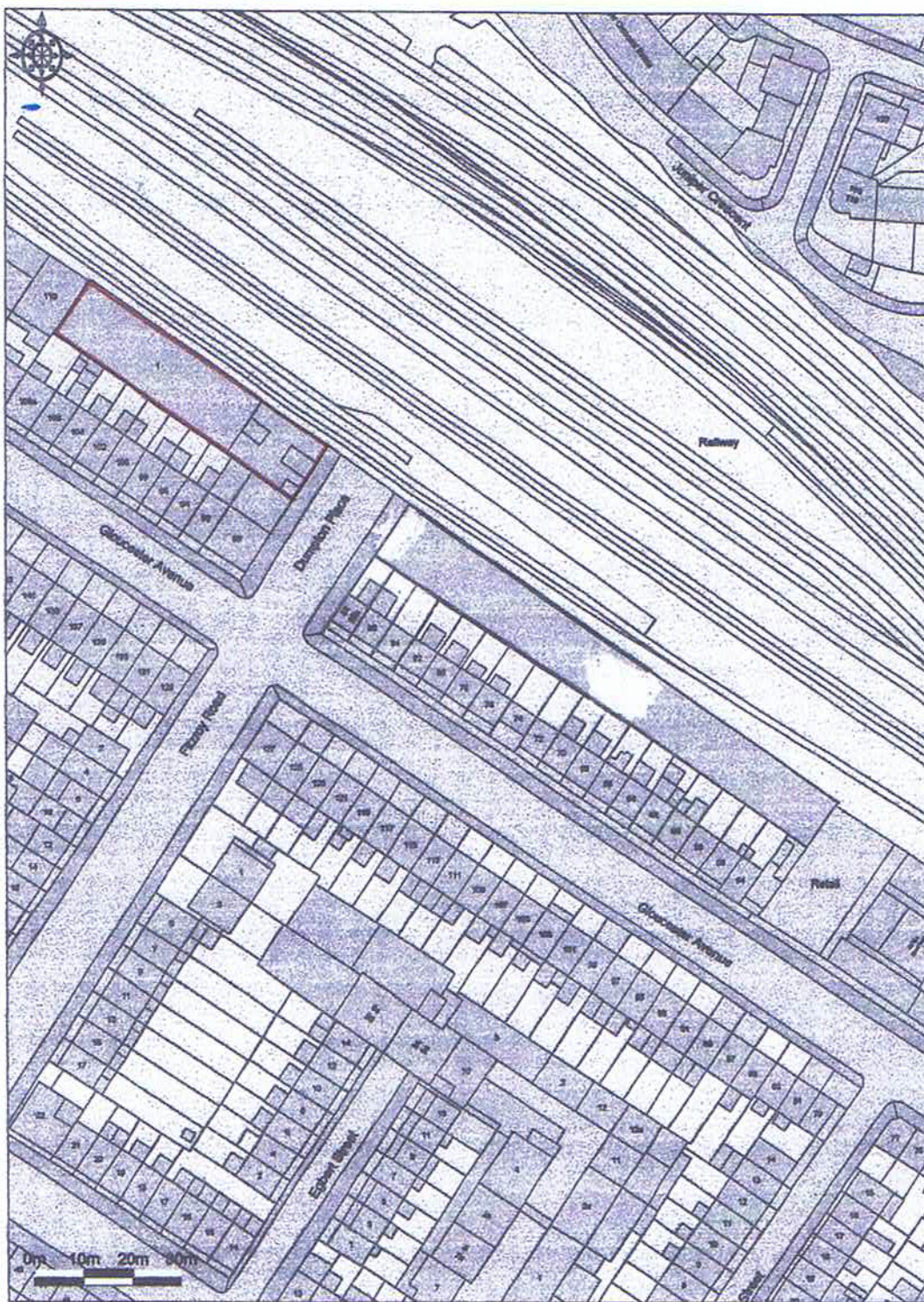
Yours faithfully

**H H Merriman MA FRICS**  
**Director**  
**Pater Goodman Merriman**  
**Chartered Surveyors**

## **APPENDIX A**

### **ORDNANCE SURVEY**

### Site Plan



**Promap®**

© UKOLN Copyright The Qualification Group 2010  
License No. LAMDA/LOV000003121118, Printed Size 1x1209

**1 Dumpton Place, NW1 8JB**

## **APPENDIX B**

### **LOCATION PLAN**



Address **Dumpton Pl**  
London Borough of Camden,  
London NW1, UK

