



**32 Lawn Road, Camden**  
**Planning Application by**  
**Fairview Estates (Housing) Ltd**  
**Employment Floorspace**  
**Assessment**  
**October 2014**



**LAWN RD NW.3.**





# *Employment Floorspace Assessment*

*32 Lawn Road – LB Camden*

September 2014

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# 1 Introduction

## Purpose of Report

- 1.1 This paper has been prepared by JLL on behalf of Fairview Estates (Housing) Ltd hereafter referred to as “Fairview” and provides a detailed assessment of employment land use issues in relation to the redevelopment proposals for 32 Lawn Road.
- 1.2 The proposed development comprises a building of 5-7 storeys containing 73 apartments of mixed size, set within landscaped grounds. This includes a central landscaped courtyard fronting Upper Park Road and gardens along the Lawn Road frontage, with new trees lining the perimeter of the site.
- 1.3 The site is located within the Belsize Park/Gospel Oak area of NW3, between Lawn Road to the west and Upper Park Road to the east, south of the junction with Fleet Road. The site covers approximately 0.25ha and currently contains two existing buildings. These comprise a former car park building, now utilised as seven (part vacant) commercial units with undercroft car parking, and a former launderette, most recently used as a community centre.
- 1.4 Until earlier this year, the London Borough of Camden was the freehold owner of the site. In 2012, the Council decided to sell the site as part of its Community Investment Programme, intended to raise funds for investment in Camden’s schools, homes and community facilities through the sale of underutilised Council assets. In March 2014, the Council agreed the sale of the site to Fairview for redevelopment for housing.
- 1.5 This report provides an assessment of the quality of the existing accommodation, a consideration of the appropriateness of the site’s location for employment uses and an initial evaluation of the current/historic occupation of the site, based on discussions with Camden Council. The report describes the different types of accommodation available on the site and the attractiveness of office and light industrial floorspace to investors and occupiers in the local area. This assessment draws on the experience of specialist commercial and office agents at JLL and other commercial property practices that are active in the local market.
- 1.6 It is important to note that the business floorspace at 32 Lawn Road does not comprise purpose built accommodation. The space has been converted from what was previously a car park; as such the space is highly compromised and suffers from a very poor quality working environment.
- 1.7 It is accepted by officers at LB Camden that the condition of the existing building is such that it is not viable for continued employment use and there are numerous immediate maintenance liabilities that are prohibitively expensive. A detailed assessment of the structural condition of the building is presented in Section 3 of this report.
- 1.8 The planning policy context presented in Section 2 identifies that there is a policy test to justify a change of use to non-business purposes, requiring evidence to show that opportunities to re-use or redevelop the site for business uses have been fully explored over an appropriate period of time. Text accompanying this policy and Camden’s planning guidance suggest that this should be done through a marketing exercise of two years or more. In relation to the subject site, it has been accepted by LB Camden, through pre-application discussion and negotiation, that marketing of the existing buildings is futile in this case due to the recognition that the building is in such poor structural condition. The case for demolition of this inadequate employment unit is accepted by the officer team at LB Camden.
- 1.9 The building at Lawn Road was sold to Fairview by LB Camden in 2014 following the council’s marketing of the site for redevelopment for principally residential purposes. The site presents a clear development opportunity for the Borough to deliver the priority land use (residential) in the short term utilising a previously developed and

underused site. Fairview has not has an opportunity to undertake a prolonged marketing exercise for prospective business users, and this is regarded as either desirable or pragmatic in the circumstances. In terms of the existing uses, marketing of the existing building would be of no value given that the property is in such poor structural condition and is nearing the end of its useful life (refer to Section 3). Turning to prospective users, this report provides a full 'exploration' of the potential for re-using or redeveloping the site to include business uses in response to the policy test. This process has been agreed with the officers as being appropriate.

- 1.10 Section 4 of this report presents findings on the overall supply and availability of employment land and floorspace in the local market from sources such as Focus and EGi.

### **Background Issues**

- 1.11 The scope of this report has been the subject of extensive discussions with the planning and economic development officers at LB Camden. An initial paper was sent to LB Camden regarding the structure and content of the report and a detailed draft of the report has been discussed at a meeting with officers.
- 1.12 The issue of the requirement for marketing the building in its existing condition was discussed with the economic development officers. It was raised that marketing the building would not be a worthwhile exercise because the condition of the building is so poor that there are no reasonable prospects for continued use and operation beyond the very short term future. The existing employment units on the site are of very poor quality and in a very bad and deteriorating condition. The units are located in a converted car park and as such the quality of the working environment, in terms of factors such as floor to ceiling heights and natural light, is seriously compromised. The officers at LB Camden have been made aware that retention of the existing facility is not desirable or pragmatic.

### **Statement Structure**

- 1.13 The remainder of this statement adopts the following structure:
- Section 2 presents the Planning Policy Framework;
  - Section 2 presents a description and structural assessment of the existing floorspace at Lawn Road;
  - Section 3 presents qualitative analysis and quantitative data on the office and light industrial markets in Camden;
  - Section 5 presents the conclusions

## 2 Relevant Planning Policy Framework

### Introduction

- 2.1 This section presents the planning policy framework in relation to employment floorspace, which is relevant in LB Camden. It considers where employment floorspace is protected and where there are opportunities for release of employment floorspace for redevelopment in alternative use. The planning policy framework includes policies at national, strategic and local levels.
- 2.2 At national level, it is very important to note that the National Planning Policy Framework (NPPF) provides very clear guidance in relation to employment floorspace and encourages local planning authorities to allow the redevelopment of low quality floorspace in 'B Class Uses' for residential use; unless there are strong market signals to suggest the floorspace is valuable in existing use.
- 2.3 The key documents considered in this report are the NPPF (2012), the London Plan (2011) as revised in 2013, and the following planning policy documents in LB Camden:
  - The LB Camden Core Strategy (2010);
  - The LB Camden Development Policies (2010); and
- 2.4 Camden Policy Guidance 5 - Town Centre, Retail and Employment (2013) provides advice and information on the implementation of planning policies.
- 2.5 These policy and guidance documents draw on evidence base reports, produced to support the Local Development Framework. These evidence base reports provide an important source of information on the industrial and office markets in the borough.

### National Guidance

- 2.6 The National Planning Policy Framework (NPPF) was adopted on 27 March 2012. The NPPF makes very strong policy statements with regard to the redevelopment of employment land for residential purposes. Some references in the NPPF are considered in the following paragraphs.
- 2.7 The key sections in the NPPF that have been considered include:

**Building a strong, competitive economy:** Aims to ensure that the planning system does everything it can to support sustainable economic growth. Planning policies should support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.

**Para 22** – *'Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.*

**Para 51** – *'Local planning authorities should identify and bring back into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under*

compulsory purchase powers. They should normally approve planning applications for change to residential use and any associated development from commercial buildings (currently in the B use classes) where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate.'

### **London Policy**

- 2.8 The London Plan, 2011, as revised in 2013 presents strategic policy in relation to the subject site. The London Plan forms part of the statutory development plan. The London Plan includes the site within North London. Relevant policies from The London Plan are referenced below:
- 2.9 **Policy 2.9 Inner London:** Aims to work to realise the potential of inner London in ways that sustain and enhance its recent economic and demographic growth while also improving its distinctive environment.
- 2.10 **Policy 4.2 Offices** Supports the management and mixed use development and redevelopment of office provision to improve London's competitiveness and to address the wider objectives of the Plan. LDFs should develop strategies to manage long term, structural changes in the office market, encouraging renewal and modernisation in viable locations and supporting changes of surplus office space to other uses
- 2.11 **Policy 4.4 (Managing Industrial Land and Premises)** The Mayor will work with boroughs and other partners to:
- a) Adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses in different parts of London, including for good quality and affordable space;
  - b) Plan, monitor and manage release of surplus land where this is compatible with a) above, so that it can contribute to strategic and local planning objectives, especially those to provide more housing, and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal.

### **Local Policy and Guidance**

- 2.12 The site is within the administrative boundary of the London Borough of Camden. The local Development Plan consists of the Core Strategy (November 2010) and Development Policies (November 2010) The Camden Planning Guidance 5 (as amended) (September 2013) provides additional guidance and advice to support the policies of the statutory Development Plan.

#### *Core Strategy*

- 2.13 Core Strategy Policy CS8 (Promoting a Successful and Inclusive Economy) safeguards existing employment sites and premises in the borough where these "meet the needs of modern industry and other employers", and protects the borough's main Industry Area; Lawn Road is not within the main Industry Area. It also expects the provision for a mix of employment facilities and types. Sites within Camden's Industrial Area will be protected as stated in Core Strategy Policy CS8. This area lies between Kentish Town and Gospel Oak and is particularly suited for continued employment use.
- 2.14 Importantly, the Core Strategy confirms that office supply in the borough is expected to meet demand over the plan period. Furthermore, it suggests that older office stock in less suitable locations will be considered for release and redevelopment in alternative use; delivering additional housing is a priority in such situations.

### *Development Policies*

- 2.15 Policy DP13 (Employment Premises and Sites) aims to retain business uses and will resist a change to non-business use unless:
- *'It can be demonstrated to the Council that a site or building is no longer suitable for its existing business use; and*
  - *There is evidence that the possibility of retaining, reusing or redeveloping the site or building for a similar or alternative business use has been fully explored over an appropriate period of time.'*
- 2.16 It is imperative to note that it has been agreed with officers, that in this instance it is not necessary to undertake a marketing exercise to demonstrate whether there is demand for the existing employment facility in its current condition. The building is in a very poor state of repair and there are major maintenance liabilities that require urgent attention (see Section 3 below). The Council and applicant are in agreement that retention of the existing building is not a realistic option. As such, the case for demolition of the building has been accepted by the officer team at LB Camden.
- 2.17 Where a change of use has been justified to the Council's satisfaction the borough will seek to retain some business use on site. When it can be demonstrated that a site is not suitable for any business use other than B1(a) offices, the Council may allow a change to permanent residential uses or community uses.
- 2.18 There are a number of criteria that will be taken into account when assessing applications for a change of use from office to a non-business use, and whether a business use can continue on site. These criteria include the relationship with nearby land uses (such as residential) and the proximity to other employment uses. In relation to this criteria the site at Lawn Road scores very badly in terms of its suitability for retaining an element of employment uses.
- 2.19 In instances where the Council accept the principle of redevelopment of an employment site, the priority will be to secure permanent housing and/or community uses.
- 2.20 Policy DP13 (Employment Premises and Sites) notes that where premises or sites are suitable for continued business use, mixed use schemes will be sought provided that:
- *The level of employment floorspace is maintained or increased;*
  - *They include other priority uses, such as housing and affordable housing;*
  - *Premises suitable for new, small or medium enterprises are provided;*
  - *Floorspace suitable for either light industrial, industry or warehousing uses is re-provided where the site has been used for these uses or for offices in premises that are suitable for other business uses; and*
- The proposed non-employment use will not prejudice continued industrial use in the surrounding area.*

### *Camden Planning Guidance 5*

- 2.21 Camden Planning Guidance 5 notes that the projected demand levels and planned supply of office floorspace in the borough can be met. As such there is scope for a planning argument to be made for a change of use within Camden, provided the criteria referenced in Policy CS8 and DP13 are satisfied.



2.22 Planning Guidance 5 also identifies three main categories of employment sites in the borough. With Category 1 sites presented as those of higher quality and Category 3 sites being those of lower quality.

2.23 The criteria for categorising sites is presented below:

**2.24 Category 1 Sites**

- *purpose built accommodation;*
- *predominantly single storey premises;*
- *clear, high ceiling heights;*
- *high loading bays and doors (min 5.5m or 18ft high);*
- *access for large delivery and servicing vehicles both into and around*
- *the site;*
- *24 hour operation with unrestricted loading access; and*
- *minimal risk that the 24-hour operation will adversely harm the amenity of neighbouring properties*

**2.25 Category 2 Sites**

- *good access for servicing and delivery;*
- *slightly more restricted hours of operation than Category 1 sites;*
- *roller shutter doors;*
- *clear, high floor to ceiling heights (3-5m);*
- *lots of natural light;*
- *level access – normally ground floor;*
- *flexible neighbouring uses;*
- *limited number of upper floors with goods lift access; and*
- *some off street parking.*

**2.26 Category 3 Sites**

- *small, isolated premises;*
- *poor access - narrow streets, small doors, steps;*
- *no goods lifts;*

- *little or no space for servicing;*
- *incompatible neighbouring uses (most often residential); and*
- *lower ground or basement level*

- 2.27 It is very clear that the site does not comply with many of the criteria listed for assessment of Category 2 sites. The site does not offer good access for servicing and delivery, the hours of operation are restricted by the location, it does not offer roller shutter doors, there is very poor natural light because it is a converted car park, the heights are roughly between 2.2m -2.4 m (well below the 3 – 5 m specified) it does not benefit from groundfloor access and there is no goods lift. Whilst there is some off street car parking, this is the only criteria that the site indisputably complies with
- 2.28 Please see **Appendix 2** for a traffic light assessment of the compliance with Category 1, 2 and 3 Sites.
- 2.29 Actually, when assessed against the criteria listed in relation to Category 3 sites, it is clear that the site most closely complies with the criteria identified, this is illustrated through the “traffic light” assessment included at **Appendix 2**. The unit comprises small premises within a location, the access is poor because ramp access is required and it is not at ground level, the rear access is narrow and within a higher density residential neighbourhood, there is no goods lift, there is a preponderance of incompatible neighbouring uses and whilst it is not a basement unit it is not at ground-floor (listed as a key characteristic of Category 2 sites).
- 2.30 There is a requirement in planning policy for marketing to be undertaken to demonstrate that employment premises are no longer viable in existing use. The requirements for marketing are set out in Planning Policy Guidance 5. The issue of the requirement for marketing the building in its existing condition was discussed with the economic development officers at LB Camden. It was agreed that marketing the building would not be a worthwhile exercise because the condition of the building is so poor that there are no reasonable prospects for continued use and operation beyond the very short term future. The existing employment units on the site are of very poor quality and in a bad and deteriorating condition. The units are located in a converted car park and as such the quality of the working environment in terms of factors such as floor to ceiling heights and natural light are seriously compromised. The officers at LB Camden accept that retention of the existing facility is not desirable or pragmatic.
- 2.31 The detailed assessment of the structural condition of the building in the following section demonstrates that the subject site requires substantial capital expenditure in the short term in order to bring it back into a reasonable state of repair. JLL is firmly of the opinion that restoration of building to reasonable condition is not achievable at the rental levels currently achievable for light industrial space and, as such, the building has clearly come to the end of its useful life as an employment location. In Pre-Application discussion, officers at LB Camden have accepted that marketing of the existing unit would not be a worthwhile exercise given the structural issues with the building.

### **Conclusion**

- 2.32 The key policy tests in relation to retention of employment uses are set out in the London Borough of Camden Development Policies, Policy DP13 (Employment Premises and Sites). The Policy aims to retain business uses and will resist a change to non-business use unless:
- *‘It can be demonstrated to the Council that a site or building is no longer suitable for its existing business use;*
  - and*

*- There is evidence that the possibility of retaining, reusing or redeveloping the site or building for a similar or alternative business use has been fully explored over an appropriate period of time.'*

- 2.33 With regard to this policy test, the evidence in the following section of this report demonstrates that the subject buildings are no longer fit for purpose in employment use. It has been confirmed to officers at LB Camden that the case for demolition of the existing building is compelling. It has also been raised that an extensive marketing exercise is not desirable or pragmatic, given the condition of the building and the compromised nature of the employment space on the site.
- 2.34 Another of the key tests in Policy DP13 relates to whether any non-business use, which is proposed on a former employment site, would prejudice continued industrial and employment activity in the area surrounding the subject site. Given the absence of any employment uses in the immediate vicinity of the subject site at Lawn Road, this policy test is not applicable.
- 2.35 Policy DP13 also proposes that where employment sites are developed for non-business uses, the potential for an element of business floorspace, re-provided as part of a mixed use development should be explored. The remainder of this report demonstrates that the location of the subject site is not suited to re-provision of employment space and any re-provided space would carry significant risk of remaining vacant. Any such vacancies would have seriously detrimental consequences for the character and viability of the proposed development.

## 3 Assessment of Existing Floorspace at Lawn Road

### Introduction

- 3.1 This section of the report provides a description of the existing uses and considers the quality of the existing floorspace on the site. A detailed site inspection was undertaken by a building surveyor at JLL on 18<sup>th</sup> June 2014. The findings of this inspection are presented in the following paragraphs. Photographs taken during the site inspection are included in **Appendix 1** to this report.

### Description of Existing Accommodation

- 3.2 The existing accommodation at 32 Lawn Road comprises a mixture of B1a office space and B1c light industrial floorspace. The accommodation schedule is presented below.

Unit	Tenant Name	Use	Size (sq ft)	Rent psf (pax)
Unit 1	vacant			N/A
Unit 2	Step Ahead Corporation Ltd	B1c	830	£ 11.33
Unit 3	Blackfriars Investments (Management) Ltd.	B1a	767	£ 14.50
Unit 4	Blackfriars Investments (Management) Ltd.	B1a	836	£ 14.50
Unit 5	Vacant			N/A
Units 6 & 7	Philip Stemp & Simon Bunyan	B1c	1899	£ 12.01
			<b>4,972</b>	

- 3.3 Of the 7 units available on the site, 2 are vacant. 2 of the units are used for B1a office accommodation and a further 3 units are used for industrial/light industrial purposes. It is important to note that units 6 & 7 were in rental arrears at the time that JLL received the information, indicating certain problems in sustaining a business this location. The rental levels for the light industrial accommodation on the subject site are very low compared to rents achieved elsewhere in the borough at only £12 per sq ft.

### **Audit of Existing Building**

- 3.4 The JLL inspection was visual in nature and no intrusive investigations were undertaken. No comment is provided on the mechanical and electrical systems to the property. The roof and ground floor parking areas were secured at the single points of access. It was therefore not possible to undertake detailed inspections of these areas.
- 3.5 The site is situated to the East of Lawn Road and to the South of Fleet Road in a predominantly residential area and contains the main pavilion style building and a smaller single storey structure to the North, which has been mothballed and secured with Heras fencing.
- 3.6 The building provides covered parking to the ground floor, 7 light industrial/office units and parking to the first floor and an open area to the roof. The sole pedestrian and vehicle access to the building is provided via a concrete ramp from Lawn Road.
- 3.7 The building is of concrete framed construction with open elevations at ground floor level, built up profiled metal cladding sections with inset single glazed windows to the first floor and fair faced brick infill panels to the roof level play area and the extent of the South elevation.
- 3.8 The roof to the building is a flat asphalt roof, laid to fall to internal rain water down pipes. The roof is accessed via a single stair of reinforced concrete construction which extends from ground level. There are two designated fire escape stairs from the first floor which are both metal spiral stairs inside a secured stair enclosure.
- 3.9 The windows to the building are largely original single glazed, sliding aluminium frame windows that are protected with steel mesh screens. The external doors to the fire escape routes are generally solid core timber doors with a painted finish.
- 3.10 Internally, the common parts are exposed to the concrete soffits, columns and beams with the majority of walls fair faced block work. The floor to the car parking area is exposed concrete, though some areas are decorated.
- 3.11 It has been assumed that the tenanted areas are covered by the standard decorating and repairing covenants contained within a commercial lease.

### **Main Findings**

- 3.12 There is evidence that there are underlying structural issues that need to be addressed in the short term. Multiple areas of cracked and spalled concrete were found to the structural frame, slabs and concrete stairs. In these locations, corrosion to the steel reinforcement was evident which has contributed to these failures.
- 3.13 It is a requirement that hammer testing is completed to all areas with loose concrete removed to ensure that any immediate risks of falling masonry are negated. These failures could be the result of inherent workmanship defects in the structure and / or latent construction defects with the concrete used in the original construction. A full suite of specialist concrete testing is required to determine the nature of the concrete used and establish the 'depth of cover' to the reinforcement. Thereafter we expect extensive repairs will be needed to put the structure back into repair.
- 3.14 There is evidence of water penetration from the main roof into the demised areas and common parts. This appears to be an on-going issue as evidenced by the mould spores to the underside of the ceiling soffit. A leak detection test is required to assess the integrity of the roof covering. If this issue is left unchecked, water penetration into the concrete slab can accelerate the corrosion to steel reinforcement, resulting in further deterioration to the concrete frame and slabs.



- 3.15 The windows to the building are in poor condition and replacement is required. The age and condition of the windows are to the detriment of the energy efficiency of the building and they offer little in the way of security. This may be an issue for prospective commercial tenants, given the evidence of vandalism to windows and the installation of steel security screens completed to protect external windows.
- 3.16 Furthermore, given the incoming Energy Act, the poor thermal performance of the windows and general lack of building insulation may prevent the building from being lettable once the expected restrictions on EPC ratings come into effect.
- 3.17 Taking the above into account, further consequential improvements to building fabric and potentially the M&E systems may be necessary to comply with Building Regulations Approved Document Part L.
- 3.18 The external decorations to the building are in poor condition and require redecoration in the short term. This includes steel gates, handrails/barriers and fire escape stair enclosures and the timber doors and frames.
- 3.19 Given the age of the building, there is also the possibility of Asbestos Containing Materials being used in concealed / built in components. A full Refurbishment and Demolition Asbestos Survey will be required before any work to the structure is completed.
- 3.20 The key maintenance items as we see them for the building are as follows:
- Immediate Hammer testing to remove loose / spalled concrete – particularly over and adjacent to public walkways as this presents a health and safety hazard.
  - Replacement of single glazed windows to first floor areas.
  - Renewal of external decorations to timber and metal work.

*Further investigations required*

- Specialist testing to concrete frame and soffits followed by associated repairs
- Leak detection testing followed by necessary repairs to asphalt roof covering

**Conclusion**

- 3.21 In conclusion, the building is in a state of disrepair and needs significant capital expenditure to return the property to a satisfactory condition. If maintained in its current condition, it is our professional opinion that it will be difficult to let in the future due to forthcoming EPC requirements and escalating levels of service charge. We have reached the clear conclusion that the building is nearing the point whereby it will be unlettable in the absence of major expenditure. Given the relatively low rents achieved for light industrial accommodation in the borough, JLL is firmly of the opinion that it is not financially viable to restore the building.

## 4 Local Market Commentary

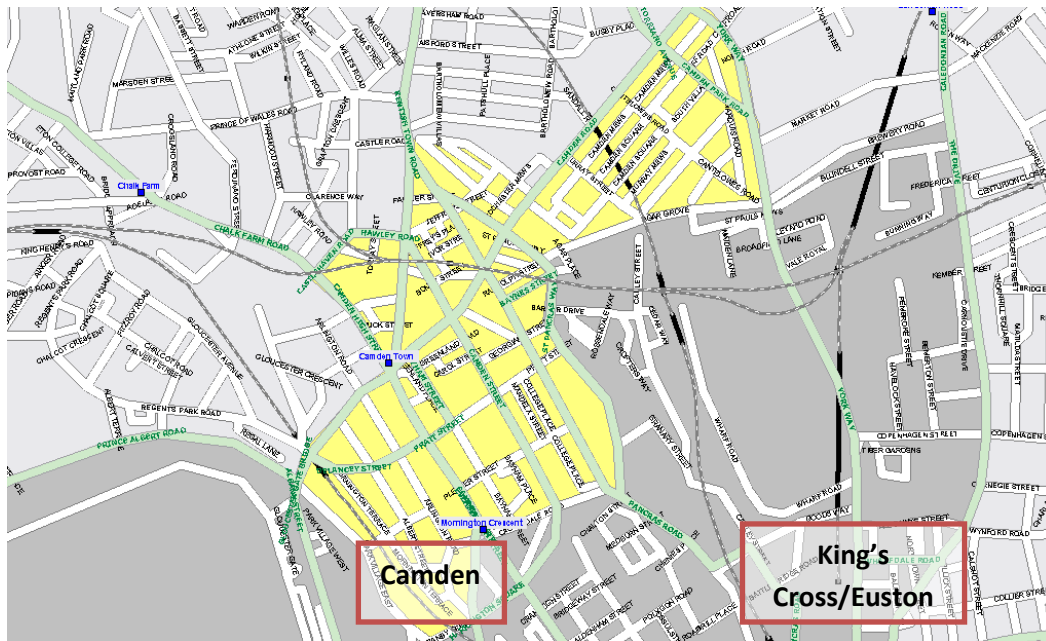
### Introduction

- 4.1 The following paragraphs provide an overview of the office and industrial markets within Camden. Overall, the employment markets in the north of Camden are very different from those in the south of the borough. The north of the borough caters for more local occupiers and businesses whilst the south of the borough is a completely separate markets which is linked to London's role as a global centre for financial and business services.
- 4.2 The evidence in this section is gathered from FOCUS and EGi the two most credible online sources of data on commercial property market transactions.

### The Geography of Employment Floorspace Markets in Camden

- 4.3 JLL estimate the size of the Camden office market at circa 5.3 million sq ft, the vast majority of which is located in the NW1 postcode in the areas outlined in **Figure 1**.

**Figure 1: Camden JLL research boundaries**



Source: JLL

- 4.4 Notwithstanding the agglomeration of employment floorspace in the south of Camden, there are smaller more localised pockets of employment activity towards the north of the borough. There are significant clusters of employment uses in town centres such as Camden and Kentish Town.
- 4.5 The Lawn Road site is located in the NW3 postcode in a residential neighbourhood. There is very limited, if any employment or industrial activity in the immediate vicinity of the subject site and the focus for existing and proposed employment activity in the surrounding areas is located in immediate proximity to Gospel Oak and Finchley Road stations.

### Camden office supply

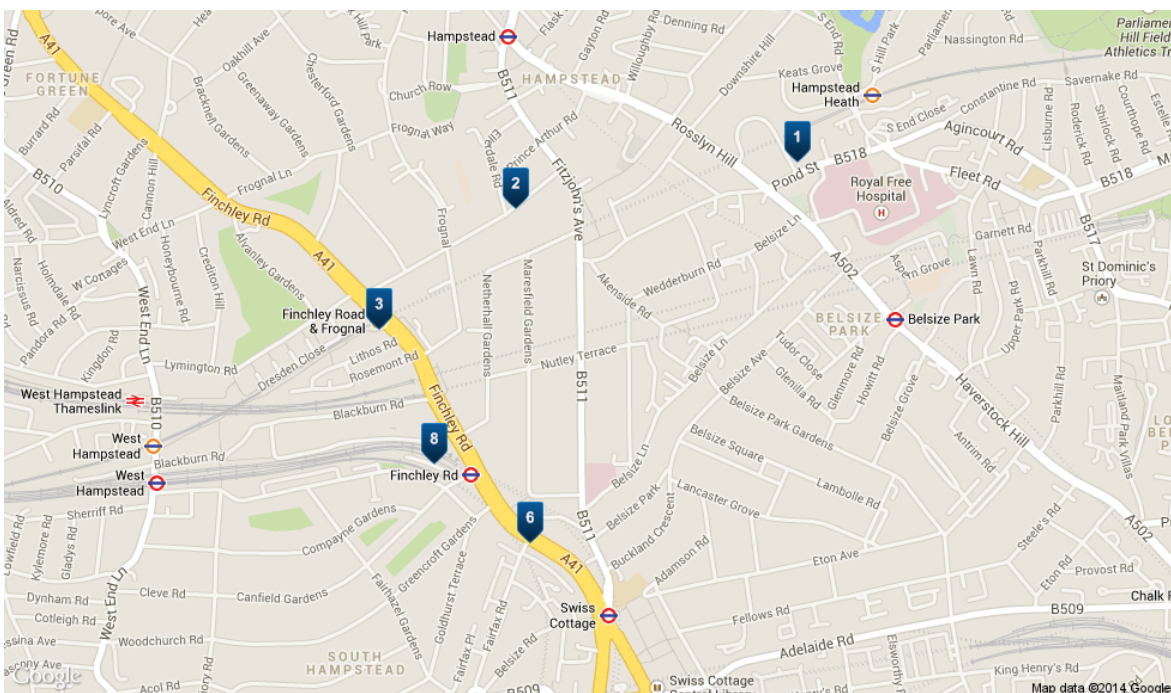
- 4.6 Total available supply in the established markets shown in Figure 1 currently totals 193,000 sq ft, equating to a vacancy rate of 3.6%. This low vacancy rate is testament to the strength of the market in the right locations across the borough.
- 4.7 Very significantly, there is also circa 1.5 million sq ft of potential supply deliverable between 2014 and 2018 in the borough. The extent of the pipeline floorspace in the borough demonstrates very clearly that the borough will continue to be an important location for employment activity in the future.
- 4.8 In the more local office markets in the north of the borough there is 138,870 sq ft of office floorspace being actively marketed. In particular, this is concentrated in the NW2, NW3, NW5, NW6 and NW8 post codes, where there are significant clusters of activity. The majority of this space is comprised of the circa 91,000 sq ft at 403-405 Edgware Road, NW6 which is being marketed as a freehold HQ building and is over 3 miles from the Lawn Road site. The remaining 48,206 sq ft is widely dispersed throughout the northern part of the borough.
- 4.9 The NW3 postcode, which includes the Lawn Road site does not have any significant office supply, with only 4,500 sq ft being actively marketed, accounting for 1.35% of Camden supply (Table 1). The majority of this space is located close to Finchley Road, around 1 mile to the West of the site, as indicated in Figure 2 and Table 2.

**Table 1: NW3 supply**

Camden supply*	NW3 supply	NW3 share
332,105 sq ft	4,497 sq ft	1.35%

**Source: JLL, EGi \*N1 (part), NW1, NW2, NW3, NW5, NW6, NW8**

**Figure2: NW3 office supply**



**Source: EGi**

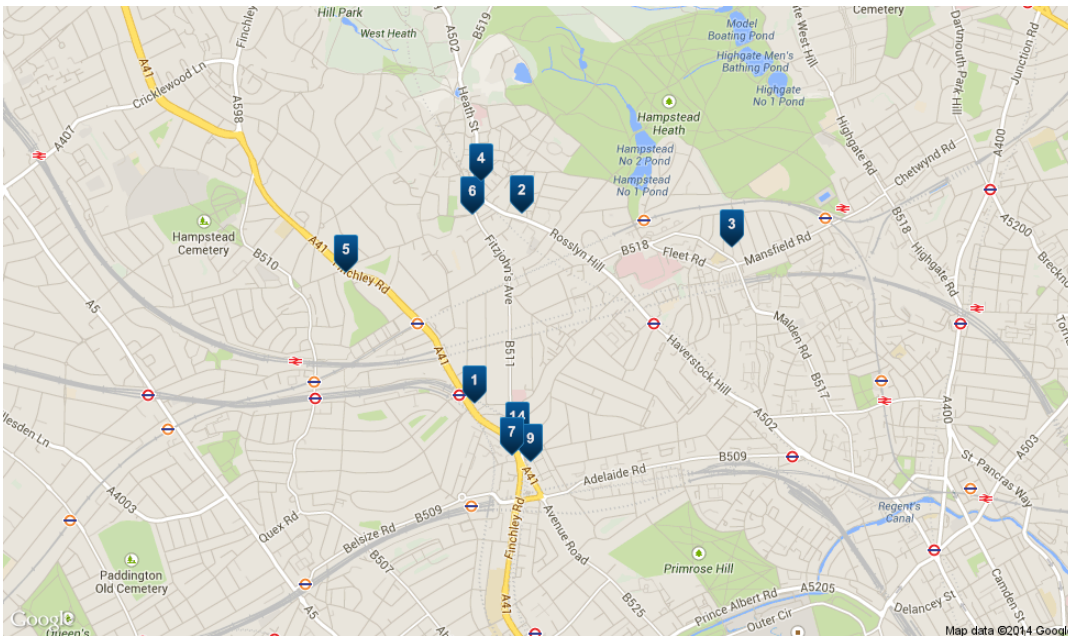
**Table 2: NW3 Office supply**

Map ref.	Address	Size (sq ft)	Tenure	Rent	Agent
1	5 Pond Street, London, NW3 2PN	561 sq ft	Leasehold	£21.39 psf (£12,000 per annum)	Dutch & Dutch (020 7794 7788)
2	9 Arkwright Road, London, NW3 6AA	16,608 sq ft	Freehold	Not quoting.	Gerald Eve (020 7493 3338)
3	2a Lithos Road, London, NW3 6EF	1,043 sq ft	Licence	£20.00 psf	Lettings (0207 794 6702)
4	2a Lithos Road, London, NW3 6EF	1,133 sq ft	Licence	£20.00 psf	Lettings (0207 794 6702)
5	2a Lithos Road, London, NW3 6EF	1,320 sq ft	Licence	£20.00 psf	Lettings (0207 794 6702)
6	Swiss Cottage Post Office, 18 Finchley Road, London, NW3 6JU	140 sq ft	Leasehold	£51.42 psf inclusive (£7,200 per annum)	Occupa Commercial Property (020 3167 4997)
7	Swiss Cottage Post Office, 18 Finchley Road, London, NW3 6JU	300 sq ft	Leasehold	£48 psf inclusive £14,400 per annum	Occupa Commercial Property (020 3167 4997)
8	2 Canfield Place, London, NW6 3BT	1,000 sq ft	Leasehold	£22.50 psf (£22,500 per annum)	3H Property Consultants (020 7286 8363)

*Camden office take-up*

4.10 Take-up in the NW3 postcode between 2009 and 2014 totalled 82,000 sq ft, with the majority of this space let in a single transaction; Thomson Reuters acquisition of 58,000 sq ft at 100 Avenue Road, NW3 on a short term lease. A planning application has been subsequently submitted for redevelopment of the site as a residential led scheme. Excluding the 100 Avenue Road transaction, take-up totals 24,553 Sq ft, with an average deal size of circa 1,700 sq ft. There has been only a single letting within half a mile of the Lawn Road site within the last five years.

4.11 **Figure 3: NW3 take-up 2009-2014**



Source: EGi



**Table 4: NW3 take-up 2009 – 2014**

Map ref.	Address	Deal date	Size (sq ft)	Rent (£ per sq ft)	Purchaser/Les see	Distance from Lawn Road
1	Ground, Regina House, 108-110 Finchley Road, London, NW3 5JJ	15/02/2014	2,120	£25.00		0.9 miles
2	2nd, 6a Hampstead High Street, London, NW3 1PR	13/04/2013	1,059	£22.65		0.6 miles
<b>3</b>	<b>Ground, 7 Heathgate Place, London, NW3 2NU</b>	<b>01/03/2013</b>	<b>400</b>	<b>£36.25</b>		<b>0.2 miles</b>
4	1st Floor Right, Kingswell, 58-62 Heath Street, London, NW3 1EN	01/01/2013	1,333	£37.51		0.8 miles
5	1st, 459 Finchley Road, London, NW3 6HN	01/01/2013	575	£15.70	Mizan International Limited	1.2 miles
6	1st & 2nd (13A Heath Street), 28 Church Row, London, NW3 6UP	04/12/2012	468		Whitestone Estates	0.8 miles
7	3rd Floor, Centre Heights, 137 Finchley Road, London, NW3 6JG	23/01/2012	3,595	£17.00	PPI Claimline Limited	0.9 miles
8	4th Floor, Centre Heights, 137 Finchley Road, London, NW3 6JG	10/01/2012	969	£17.00	Oceanmap Limited	0.9 miles
9	Basement & Ground Floors, 100 Avenue Road, London, NW3 3HF	25/12/2011	4,441	£21.53	Archant Limited	0.9 miles
10	Basement, Ground, 1st, 2nd, 3rd, 4th & 5th Floors, 100 Avenue Road, London, NW3 3HF	22/12/2011	57,673	£2.32	Thomson Reuters plc	0.9 miles
11	1st (Church Row), 28 Church Row, London, NW3 6UP	07/12/2011	848		London & Hampstead Serviced Offices Limited	0.8 miles
12	2nd Floor, Centre Heights, 137 Finchley Road, London, NW3 6JG	11/04/2011	3,595	£15.00	PPI Claimline Limited	0.9 miles
13	2nd floor, Centre Heights, 137 Finchley Road, London, NW3 6JG	01/04/2011	2,876	£15.00	PPI Claimline Limited	0.9 miles
14	24 Northways Parade, London, NW3 5DN	25/01/2010	900	£20.00	Private Clients	0.8 miles
15	3rd Floor, 6a Hampstead High Street, London, NW3 1PR	15/08/2009	657		Private Clients	0.6 miles

**Source: EGi**

*Feasibility of Lawn Road as an office location*

- 4.12 As stated above, the immediate area surrounding the Lawn Road site does not have an established office market with the majority of recent take-up located around Finchley Road, around a mile to the West of the site. The feasibility of the site as an office location is restricted by the area's status as a primarily residential area, which would limit any potential occupier's ability to attract and retain staff. The site would be attractive to a very limited pool of potential office occupiers and the rental levels achievable would be very low. There would inevitably be a very high risk of extensive vacancies for any floorspace marketed in this location.
- 4.13 The nearest tube station Belsize Park only provides access to a single tube line (the Northern line) and the local service surrounding the Lawn Road site is predominantly aimed at residential users, which are the principal use type. Secondary office stock which commands lower rents is often attractive to technology 'start-ups' (new businesses); however these businesses also seek to locate in close proximity to other similar businesses where they can draw on the talent pool, as well as in an area with a high level of supporting services. There are areas in Camden where there are clusters of small business uses, usually located in town centres. The Lawn Road site is very different to the areas within the borough such as Kentish Town and Highgate Road where space for small business has been very successful.
- 4.14 JLL is of the firm opinion that Lawn Road does not offer the locational characteristics that are essential in creating a successful small business location. A redevelopment on the subject site would be unattractive to the market and if any tenants were to be identified then the rents would need to be very low and there would be a significant risk of extensive void periods/vacant units. This would have seriously detrimental impacts on the character and financial viability of the proposed development.

*Camden industrial market*

- 4.15 Table 5 lists the industrial availability around Camden at the start of June 2014. There is around 15,000 sq ft of industrial floorspace available in this area in six units, all of which are smaller than 10,000 sq ft and classified as being of second-hand quality. There is no industrial space currently being actively marketed in NW3 with the majority of available space located in the NW2 postcodes, around 3 miles from the Lawn Road site.

**Table 5: Industrial supply within Camden at June 2014**

Size band	New or Refurbished	Second-hand	Total by Sizeband
0 - 2,000 sq ft	-	4,503	4,503
2 - 5,000 sq ft	-	2,587	2,587
5 - 10,000 sq ft	-	7,512	7,512
10,001 sq ft +	-	-	-
<b>Total</b>	-	<b>14,602</b>	<b>14,602</b>

**Source: EGi**

- 4.16 Over the five year period 2009-2013 inclusive, industrial take-up around Camden totalled 841,000 sq ft and average 168,000 sq ft per annum, boosted by a number of large transactions, including 176,000 sq ft to UCL at Hampstead Road, NW1
- 4.17 Take-up of light industrial units, which are more relevant to the Lawn Road site, accounted for 76,000 sq ft during the same time period, representing a 9% share of the Camden Industrial market. There has only been a single light industrial transaction during 2013 and 2014 to date, which is outlined in table 7 together with a schedule of recent light industrial transactions.

**Table 7: Light Industrial take-up within Camden, 2009 – June 2014**

Address	Deal date	Size (sq ft)	Rent (£ per sq ft)*	Purchaser/Lessee	Distance from Lawn Road
61 – 83 Loudoun Road, London, NW8 0DQ	18/02/2014	721	£10.82	The Original Jerky Company Lt	1.1 miles
25 – 43 Carol Street, London, NW1 0HT	17/04/2012	200	£17.5	Postcard Teas	1.3 miles
3-14 Cedar Way, London, NW1 0PF	01/10/2012	1,589	£8.34	Fleetmill Limited	1.7 miles
Units 1-6z, Atlas Business Centre, London, NW2 7HJ	08/05/2012	461	£15.62*	Undisclosed	3.2 miles
Webheath Workshop, Netherwood Street, London, NW6 2JX	27/05/2011	849	£11.18	Private Individual	1.7 miles
109 Bartholomew Road, The Dove Centre, London, NW5 2BJ	09/02/2011	670	£12.69	Private Individual	1.2 miles
Arch 13, Maygrove Road, London, NW6 2EB	16/12/2011	716	£9.78	Private Individual	1.8 miles
25 – 43 Carol Street, London, NW1 0HT	24/11/2010	3,834	£15.63	Academy Films Limited	1.3 miles
Webheath Workshop, Netherwood Street, London, NW6 2JX	23/12/2010	689	£8.09	Vagel Construction	1.7 miles
127 Camden Mews, London, NW1 9AH	01/12/2010	900	£16.67*	Spirit Level	1.4 miles
Units 1-6z Atlas Business Centre, London, NW2 7HJ	04/06/2010	925	£12.10	Undisclosed	3.2 miles
61 – 83 Loudoun Road, London, NW8 0DQ	16/01/2009	440	£12.50	LD Slick Limited	1.1 miles
109 Bartholomew Road, The Dove Centre, London, NW5 2BJ	01/12/2009	1,534	£13.49	Undisclosed	1.7 miles
3-14 Cedar Way, London, NW1 0PF	13/02/2009	2,000	£13.25	Private Individual	1.7 miles

- Source: FOCUS
- \*quoting rent,

## Conclusion

- 4.18 Our analysis of the office and industrial markets in Camden and the immediate area surrounding the Lawn Road site suggests the loss of office and industrial space would not be detrimental to the area.

- 4.19 There has been no significant office or industrial take-up in the area surrounding the Lawn Road site (NW3 postcode) in the previous five years.
- 4.20 The existing supply within NW3 is not in the immediate vicinity of the subject site. There are examples of clusters of small businesses in the borough but such uses tend to be in locations where they benefit from proximity to other small businesses. JLL is firmly of the opinion that Lawn Road is not an appropriate location for development targeting small business uses. The units would need to be offered at a major discount to market rents in order for the space to be lettable and there would be a serious risk of vacancies which would seriously detract from the character and the viability of the wider scheme
- 4.21 There has been evidence of commercial accommodation that has remained vacant for extended periods where it is provided in the wrong locations. One such example is at 139 York Way, which occupies a more prominent location than the subject site at Lawn Road. The boarded up vacant ground floor space in this development creates a negative impression for the development and is detrimental to the character of the wider area.
- 4.22 There have been further examples of commercial space that has not been occupied on Holmes Road in Kentish Town. In this case the surrounding area is significantly more suited to employment floorspace than York Road, but despite being offered at competitive rents the floorspace remained unoccupied. While there are examples of floorspace that has been occupied within mixed use schemes, there is clear evidence that space offered in the wrong locations will not be successful.
- 4.23 JLL has spoken with some of the more active commercial property agents in Camden regarding the strength of the light industrial and office markets. In particular, discussions have been undertaken with Occupa and Dutch and Dutch, both of who are active in the areas surrounding the site. All agents are clear that the area surrounding Lawn Road is not an established employment location and demand/take-up in the area is substantially weaker than the surrounding areas in the north of the borough where there are clusters of employment activities.
- 4.24 The data on take-up shows the modest demand and activity within the area surrounding the subject site, whilst there is demand it is very limited relative to competing locations and it is our firm opinion that future employment floorspace should be promoted in locations where it is likely to be sustainable in the longer term.
- 4.25 The inclusion of an office/light-industrial element in the redevelopment of the Lawn Road site would therefore not be attractive to potential occupiers due the areas status as a residential area
- 4.26 The low rental levels achieved on the site historically and the very low rental levels achieved on historic B1c transactions in the vicinity of the site are demonstrative of the inherent weakness of the light industrial market in the area.

## 5 Conclusion

- 5.1 This report provides a detailed assessment of the subject site as an existing employment location, also considering the site's potential for accommodating employment uses as part of a redevelopment scheme. It is JLL's firm conclusion that the existing building is in a poor state of repair and that retention and continued use of the building for employment purposes would not be financial viable due to the high cost of reinstatement and the low rents achievable. Furthermore, JLL is firmly of the opinion that the subject site is not an appropriate location for future employment use.
- 5.2 JLL has undertaken detailed investigations of the local employment market in LB Camden. It is abundantly clear that the key locations for employment growth in the north of the borough are focussed around town centres and established clusters of activity. The market for employment uses in the area surrounding the subject site has been very weak historically and there is no evidence of any major upturn in activity. The market in the area is at very low levels of rent and any re-provided employment floorspace on the subject site would be at risk of remaining vacant or being occupied at sub-economic rental levels. Either of these scenarios would have seriously detrimental impacts on the character and viability of the proposed scheme.
- 5.3 32 Lawn Road occupies a residential location and whilst the site benefits from a high PTAL rating and reasonably close proximity to services, it does not offer benefits in terms of direct proximity to other businesses. Therefore, the attractiveness to smaller businesses is compromised. The areas in the borough where small business uses have been successful are town centre and other locations where there is a critical mass of existing employment activity.
- 5.4 From our assessment of the criteria set out Camden Planning Guidance 5 we are firmly of the opinion that the subject site complies with the Category 3 criteria. It is a poor quality employment building and location and it should be released from its existing use and redeveloped as residential accommodation. As stated in Planning Guidance 5 *'Category 3 sites are heavily compromised and may not be suitable for continued industrial use.'*
- 5.5 It is very clear that the site does not comply with many of the criteria listed for assessment of Category 2 sites. The site does not offer good access for servicing and delivery, the hours of operation are restricted by the location, it does not offer roller shutter doors, there is very poor natural light because it is a converted car park, the heights are roughly between 2.2m -2.4 m (well below the 3 – 5 m specified) it does not benefit from groundfloor access and there is no goods lift. Whilst there is some off street car parking, this is the only point that the site indisputably complies with.
- 5.6 When assessed against the criteria listed in relation to Category 3 sites, it is clear that the site most closely complies with the criteria identified. The unit comprises small premises within a location, the access is poor because ramp access is required and it is not at ground level, the rear access is narrow and within a high density residential neighbourhood, there is no goods lift, there is a preponderance of incompatible neighbouring uses and whilst it is not a basement unit it is not at ground-floor (listed as a key characteristic of Category 2 sites).
- 5.7 The building at Lawn Road was sold to Fairview by LB Camden in 2014 following the council's marketing of the site for redevelopment for principally residential purposes. The site presents a clear development opportunity for the Borough to deliver the priority land use (residential) in the short term utilising a previously developed and underused site. Fairview has not has an opportunity to undertake a prolonged marketing exercise for prospective business users, and this is regarded as either desirable or pragmatic in the circumstances. In terms of the existing uses, marketing of the existing building would be of no value given that the property is in such poor structural condition and is nearing the end of its useful life (refer to Section 3). Turning to prospective users, this



report provides a full 'exploration' of the potential for re-using or redeveloping the site to include business uses in response to the policy test. This process has been agreed with the officers as being appropriate

- 5.8 The key policy tests in relation to retention of employment uses are set out in the London Borough of Camden Development Policies, Policy DP13 (Employment Premises and Sites). The Policy aims to retain business uses and will resist a change to non-business use unless:
- *'It can be demonstrated to the Council that a site or building is no longer suitable for its existing business use;*  
*and*
  - *There is evidence that the possibility of retaining, reusing or redeveloping the site or building for a similar or alternative business use has been fully explored over an appropriate period of time.'*
- 5.9 With regard to this policy test, the evidence in Section 3 of this report demonstrates that the subject buildings are no longer fit for purpose in employment use. It has been accepted by officers at LB Camden that the case for demolition of the existing building is compelling. It has also been agreed that an extensive marketing exercise is not desirable or pragmatic, given the condition of the building and the compromised nature of the employment space on the site.
- 5.10 Another of the key tests in Policy DP13 relates to whether any non-business use, which is proposed on a former employment site, would prejudice continued industrial and employment activity in the area surrounding the subject site. Given the absence of any employment uses in the immediate vicinity of the subject site at Lawn Road, this policy test is not applicable.
- 5.11 Policy DP13 also proposes that where employment sites are developed for non-business uses, the potential for an element of business floorspace, re-provided as part of a mixed use development should be explored. The remainder of this report demonstrates that the location of the subject site is not suited to re-provision of employment space and any re-provided space would carry significant risk of remaining vacant. Any such vacancies would have seriously detrimental consequences for the character and viability of the proposed development.

## Appendix 1 – Photo Schedule

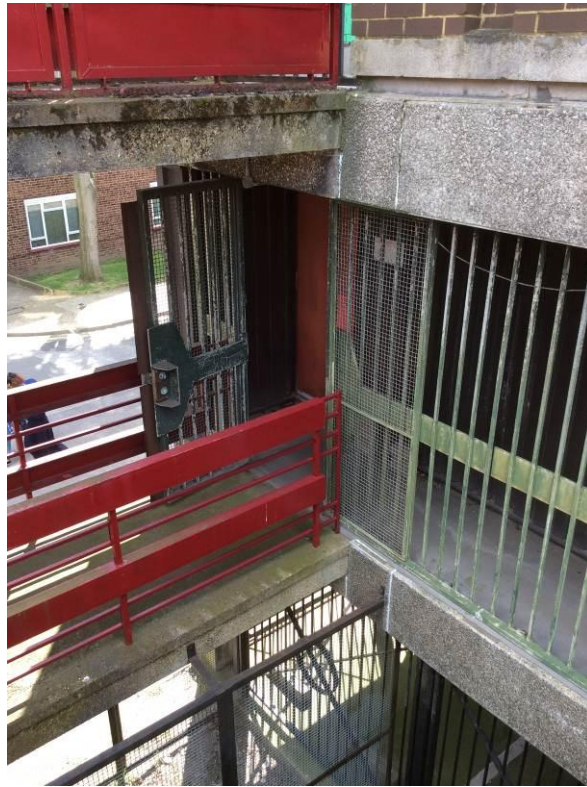
### North East Elevation



Internal water ingress



**Stair to roof and indicative decorative condition**



**Typical spalling to Concrete frame**





### Typical Window



### Security grill and broken window



## Appendix 2 – Policy Assessment

The table below provides a systematic point by point assessment of how the subject site performs when considered against the criteria set out in Development Policies - Policy DP13 (at paragraph 13.3) and Camden Policy Guidance 5 (from paragraph 7.8 onwards).

<b>POLICY DP13</b>		
<b>Criteria</b>	<b>Assessment</b>	<b>Conclusion</b>
Is located in or adjacent to the Industry Area, or other locations suitable for large scale general industry and warehousing;	The subject site is not located in or adjacent to an industrial location	Not Applicable
Is in a location suitable for a mix of uses including light industry and local distribution warehousing;	Lawn Road is an entirely residential location not offering proximity to services for business	Not Applicable
Is easily accessible to the Transport for London Road Network and/or London Distributor Roads;	Access to either A1 or A41 is tortuous and the subject site is located within a network of narrow streets	Not Applicable
Is, or will be, accessible by means other than the car and has the potential to be serviced by rail or water;	The site is in good proximity to the underground but offers not prospect of servicing by rail or water	Minimal Compliance
has adequate on-site vehicle space for servicing;	Vehicular access is restricted/poor	Not Applicable
is well related to nearby land uses;	The site is within a residential neighbourhood	Not Applicable
is in a reasonable condition to allow the use to continue;	The site is in very poor condition – as set out in detail in the report	Not Applicable
is near to other industry and warehousing, noise/vibration generating uses, pollution and hazards;	The site is in a residential neighbourhood	Not Applicable
provides a range of unit sizes, particularly those suitable for small businesses (under 100sqm).	The site offers only spaces small business and does not offer a range of unit sizes	Partial Compliance
<b>CAMDEN POLICY GUIDANCE 5</b>		
<b>Criteria</b>	<b>Assessment</b>	<b>Conclusion</b>
<i>Category 1</i>		

purpose built accommodation;	Site is converted car park	Not Applicable
predominantly single storey premises;	Site is arranged over basement and ground floors	Not applicable
clear, high ceiling heights;	Compromised heights, low floor to ceiling space	Not Applicable
access for large delivery and servicing vehicles both into and around the site;	Poor access for servicing	Not Applicable
24 hour operation with unrestricted loading access	Residential uses in surrounding area	Not Applicable
minimal risk that the 24-hour operation will adversely harm the amenity of neighbouring properties.	Residential uses in surrounding area	Not Applicable
<i>Category 2</i>		
good access for servicing and delivery;	Tight roads and restricted access	Not Applicable
slightly more restricted hours of operation than Category 1 sites;	Very restricted hours	Not Applicable
roller shutter doors;	No roller shutters	Not Applicable
clear, high floor to ceiling heights (3-5m);	Low floor to ceiling heights	Not Applicable
lots of natural light;	Converted car park – poor light	Not Applicable
level access – normally ground floor;	Ramped access	Not Applicable
flexible neighbouring uses;	Residential neighbourhood	Not Applicable
limited number of upper floors with goods lift access;	No goods lift	Not Applicable
some off street parking.	Some parking on site	Applicable
<i>Category 3</i>		
small, isolated premises;	The site is not surrounded by any other employment uses	Applicable
poor access - narrow streets, small doors, steps;	The access is relatively poor	Applicable
no goods lifts;	No goods lift	Applicable
little or no space for servicing;	Servicing is tight	Applicable
incompatible neighbouring uses (most often residential);	Residential neighbourhood	Applicable

lower ground or basement level	Not at ground level	Not applicable
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