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AR/Lc/18.11.15

18th October 2015

Dear Ms Litherland

Re: West Hampstead Square - Section 73 application to vary condition 18 of the planning permission ref: 2013/6627/P

Lunson Mitchenall are instructed by Ballymore to advise on the retail floorspace at the West Hampstead Square development and I write with reference to the objections raised to the above mentioned application to vary condition 18 of the consented scheme.

By way of background, Lunson Mitchenall was formed in 1980 and is a market leader in the UK retail, leisure and shopping centre property sector. We have grown to be a company of 45 people and cover all aspect of retail and leisure property including, leasing, development advisory, investment, acquisition and lease advisory sectors.

As a company Lunson Mitchenall have considerable expertise in advising on new developments and pre-letting, having been involved in some of the most significant schemes in the UK over the last 35 years including amongst others, Bullring Birmingham, Arndale Centre Manchester and West Quay Southampton. This depth of experience together with our focused retail and leisure market involvement means we are able to provide a unique insight into retailer space requirements and how these are changing. It also ensures that the advice we give is very much focused on delivering shopping destinations which will work for both occupier and consumer.

West Hampstead Square is predominately a residential led scheme and the design of the retail floorspace does reflect both the constraints of the site and I believe the interest from Marks and Spencer for a food store, based on the letting to M&S which was agreed in 2013. I would also add that Lunson Mitchenall were not appointed to advise on the design development of the scheme, the retail content or configuration. Our appointment began in 2014, at which point planning consent, including the use and configuration of it, had already been granted and which provided for a total of 852sqm of retail floorspace in 8 units. Subsequent marketing of the floorspace on the instruction of Ballymore commenced in mid 2014.

Before commenting on the arrangement granted in the consent, I will just comment on the retail offer in the wider West End Lane area. The London Small Shops Study produced by the Mayor of

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London in 2010 reviewed the make up of a large number of retail centres across the city. This identified West Hampstead as a district centre providing a total retail floorspace of 7,318 sqm with an average unit size of 51sqm (548sqft). It also identified that only 27% of the floorspace was occupied by national multiples indicating that there is already a significant proportion of independent retailers trading there. In the intervening period since the report was produced I do not believe there has been any significant new retail development which would have radically increased the average size of the retail units in this location. Alternatively based on the average size this implies a total of 143 retail units in this location. In reviewing the consented scheme but excluding the food store then the average unit size across the 7 units is 39.2 sqm (422 sqft) which is even smaller than that currently in the wider area.

The basic principle of successful retail locations and stores is based on pedestrian footfall, whereby consumers can visually connect with and conveniently access these stores. The letting to M&S in the development illustrates this, with their extensive shop front facing directly onto the new public square and West End Lane.

Of the remaining three smaller units at ground floor, one kiosk has also been let to M&S, and a second is under offer for a further convenience food use to be run by an independent retailer. The third retail unit is proposed to be used by TFL to improve the entrance arrangements for the West Hampstead over ground station. These represent convenience led occupiers which reflects the pedestrian footfall driven by the local residents and the transport stations in the immediate vicinity.

In line with this, whilst there have been many enquiries for ground floor floorspace particularly from restaurant and coffee brands, the first floor retail has not generated nearly as much interest primarily due to the lack of a dedicated entrance for customers and therefore a lack of brand presence for customers at street level.

First floor comparison retail with no direct passing footfall is extremely difficult to successfully establish, especially with a limited entrance and no ground floor presence. As currently configured the three units subject to this application have no direct visible presence onto the new square and are accessed from a shared fire escape corridor connecting, by a walkway, to a shared communal lobby and doorway. As such this is not typical A1, A3 or A4 retail floorspace in the truest sense. This type of space is more often occupied by the likes of bookmakers, employment agencies or hairdressers, although they will still seek a dedicated entrance.

It is also worth highlighting that for independent brands to grow and thrive in an era of increased competition, they are generally required to offer a wider service and product range. This is precisely the reason the Village Haberdashery are seeking to expand from a unit totalling 51sqm over ground and basement levels to one of circa 130 sqm in a single level clear floorplate. As a destination type comparison retailer who offers both products and teaching services, the proposed space can ideally accommodate this type of use.

It is a great testament to the success of the Village Haberdashery and the customers they serve in West Hampstead that they are expanding. This relocation will in turn release an existing retail unit on Mill Street as an opportunity for a new retail business to open.

It should be noted that retail units on West End Lane do come to the market and below is a summary of some properties which have been available and their floor area;

Address	Ground Floor Area sqm	Ancillary Area sqm
186/188 West End Lane	88.07	26.01 (basement)
202 West End Lane	78.1	78.1 (basement)
216 West End Lane	81.56	85.93 (basement)
278 West End Lane	86.7	36.2 (basement)

In relation to this, it is clear the Village Haberdashery, or similar expanding businesses, are unlikely to secure the type of floorspace they require from the existing stock.

By contrast the other first floor retail space within the retail annex benefits from consent as a single unit. It also has considerably more presence onto the new square and West End Lane both as a consequence the scale of the unit frontage with related signage opportunities as well as the juliet balcony windows, which provide a direct view into the unit and therefore the ability to see activity within. Despite not having a dedicated entrance there has been of more interest a wide variety of potential occupiers compared with the subject first floor units.

It is also important for a new development to achieve the right mix of retail uses and given the retail annex unit benefits from a wider range of retail class A1-A4 it has been a preference of the developer to secure a restaurant/café tenant. To date we are in discussion with a restaurant operator for this floorspace.

In light of the above I believe an amendment to the condition is justified and beneficial to the evolution of West End Lane and the new square as a destination for local residents and commuters. I would add that imposing arbitrary size constraints which are not related to the market demand is counter intuitive and will restrict the ability of new and established business to expand and grow. It must be more beneficial in terms of retail diversity, increased employment and business rates to see commercial property occupied rather than vacant, particularly where the proposed tenant is an existing and established local independent retail and who otherwise may be forced to relocate outside of West Hampstead.

Yours sincerely



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cc Summer Wong CgMs Consulting