



PLANNING SERVICES

TOWN & COUNTRY PLANNING ACT 1990 (as amended)

WRITTEN REPRESENTATIONS STATEMENT OF CASE

APPEAL SITE

Star House, 104-108 Grafton Road, London, NW5 4BA

APPELLANT

Finer Homes Ltd C/O Martin Slowe Property Services Ltd

SUBJECT OF APPEAL

Appeal against refusal of planning permission (ref: 2015/5450/P) on 24th of March 2016 for:

"Change of use from office (B1a) to mixed use office (B1a) on the ground and first floors and 5x self-contained residential flats (C3) on floors 2-4 (1x one bed; 2x two bed; 2x three bed units), extension to enlarge the third floor and create an additional fourth floor, alterations to building fenestration including ground floor front infill and associated works.

COUNCIL REFERENCE: 2015/5450/P

PLANNING INSPECTORATE REFERENCE: APP/X5210/W/16/3151305

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1.0 SUMMARY

- 1.1 The appeal site consists of a four storey office building located immediately adjacent to a main railway line. It is located within the Kentish Town Centre. The site is covered by an article 4 direction which has removed the rights to apply for prior approval from office (B1a) to residential (C3).
- 1.2 Planning permission was refused for “Change of use from office (B1a) to mixed use office (B1a) on the ground and first floors and 5x self-contained residential flats (C3) on floors 2-4 (1x one bed; 2x two bed; 2x three bed units), extension to enlarge the third floor and create an additional fourth floor, alterations to building fenestration including ground floor front infill and associated works.” on 24/03/2016.
- 1.3 The main reasons for refusal are:
- 1) The change of use would fail to support economic activity in Camden and result in the loss of employment opportunities
 - 2) The proposed residential units would have an unacceptable level of internal noise and vibration
 - 3) The proposed development would result in harm to the living conditions of the occupiers at 110-114 Grafton Road through overlooking, loss of privacy and loss of daylight/sunlight
 - 4) The failure to secure the development as car-free would lead to parking stress and congestion
- 1.4 Reason for refusal 4 regarding the absence of a legal agreement for a car-free development could be overcome with an appropriate Section 106 Legal Agreement.

2.0 SITE AND SURROUNDINGS

- 2.1 The appeal site comprises of Star House located at 104-108 on the north eastern side of Grafton Road near the junction with Warden Road. The property contains a part three/part four storey office (B1a) building dating from the 1960's, a single storey block of garages to its side, two vehicle crossovers and two on-site parking spaces. The main building includes an undercroft with a car port.
- 2.2 The neighbouring building at 110-114 Grafton Road is attached to the appeal building to the northeast. It is five storeys high with employment uses on the ground and first floors and 12 residential flats above. The southeast (side) facing elevation of 110-114 directly faces the adjacent elevation of the appeal building with windows mutually overlooking each other in close proximity (see appendix 5). To the rear (north) of the appeal site lies 3-6 Spring Place serving industrial uses. The majority of the development within Spring Place contains commercial premises.
- 2.3 Immediately adjacent the appeal site to the east is a railway which predominately serves the London Overground line. It runs north to south directly next to the side and rear boundaries of the site. Trains travel both

directions between Kentish Town West to the south and Gospel Oak to the northeast between 06:09 and 00:07 daily. The current routes are between: Stratford-Richmond, Richmond-Stratford, Clapham Junction-Stratford and Stratford-Clapham Junction. Transport for London (TfL) is planning to expand their night time service (i.e. 24 hour trains) on parts of the London Overground in 2017. This could include the applicable lines as they are very common and popular routes. It is therefore likely that this area of the rail will operate over most of if it not all of the night with a late evening service. Source: <https://tfl.gov.uk/campaign/tube-improvements/what-we-are-doing/night-tube>

- 2.4 The appeal site is covered by an article 4 direction which was approved by the Secretary of State on 05/11/2015. The article 4 direction withdraws the right to change from office (B1a) to residential (C3) use without a formal grant of planning permission. It is noted that the Secretary of State modified the Council's application for the article 4 to reduce the land covered in the direction. The appeal site continues to remain protected after the modification which indicates that the Secretary of State considers it worthy of protection.
- 2.5 In addition, the appeal site has contamination potential and is located within the Kentish Town Centre. The building is not subject to a statutory listing and does not lie within a designated conservation area.

3.0 RELEVANT PLANNING HISTORY

- 3.1 **2013/3603/P:** Prior approval was granted under Class J of the General Permitted Development Order to change the use of the second and third floors of the building from office (B1a) to residential (C3). The prior approval was granted on 22/08/2013 for a 3 bed unit on the second floor and a 2 bed unit on the third floor. The application expires on 22/08/2016 which means that it would need to be implemented and occupied by this date to be valid. The Appellant would also need to adhere to all the clauses within their legal agreement.
- 3.2 **2015/1837/P:** Prior approval was granted under Class O of the General Permitted Development Order to change the use of part of the second floor of the building from office (B1a) to provide two residential (C3) flats. The prior approval was granted on 12/08/2015 and would need to be occupied by 12/08/2018. This prior approval only relates to a section of the second floor (approximately 176m²) so the majority of the employment space within the building would remain.
- 3.3 **2016/0880/P:** Approval of Details to discharge condition 1 of 2015/1837/P relating to cycle parking details. The details were approved on 29/03/2016 and would need to be implemented on-site prior to the occupation of any residential units.

4.0 PLANNING POLICY FRAMEWORK

National Policy Documents

- 4.1 On the 27th of March 2012 the Government published the National Planning Policy Framework (NPPF). The policies contained in the NPPF are material considerations which should be taken into account in determining planning

applications. Paragraphs 12, 14, 17, 18-22, 23-27, 29-41, 47-55 and 56-66 are most relevant.

Local and Regional Planning Policy Framework

- 4.2 The Development Plan for the area comprises the London Plan 2016, and the Local Development Framework, containing the Camden Core Strategy and the Camden Development Policies.
- 4.3 The London Plan Policies most applicable here include policies 2.15 (Town Centres), 3.3 (Increasing housing supply), 3.5 (Quality and design of housing developments), 4.2 (Offices), 6.9 (Cycling), 7.4 (Local character), 7.6 (Architecture) and 7.15 (Reducing and managing noise, improving and enhancing the acoustic environment and promoting appropriate soundscapes).

Local Development Framework

- 4.4 Camden's Core Strategy and Development Plan Documents (Local Development Framework) were adopted in November 2010. The 4 Strategic objectives of the LDF are;
- A sustainable Camden that adapts to a growing population;
 - A strong Camden economy that includes everyone;
 - A connected Camden where people lead healthy active lives; and;
 - A safe Camden that is a vibrant part of our world city.
- 4.5 The relevant LDF policies as they relate to the reasons for refusal of the application are listed below:

Core Strategy

CS5 (Managing the impact of growth and development)
CS6 (Providing quality homes)
CS8 (Promoting a successful and inclusive economy)
CS11 (Promoting sustainable and efficient travel)
CS19 (Delivering and monitoring the Core Strategy)

Development Policies

DP13 (Employment sites and premises)
DP18 (Parking standards and limiting the availability of car parking)
DP21 (Development connecting to the highway network)
DP26 (Managing the impact of development on occupiers and neighbours)
DP28 (Noise and vibration)

- 4.6 The full text of each of the policies has been sent with the questionnaire documents.

Supplementary Guidance (Camden Planning Guidance)

- 4.7 The Council will also, where appropriate, rely on supplementary planning guidance as set out in the Camden Planning Guidance (CPG) insofar as it is material.
- CPG1 (Design) 2015
 - CPG2 (Housing) 2015

- CPG3 (Sustainability) 2015
- CPG5 (Town Centres, Retail and Employment) September 2013
- CPG6 (Amenity) 2011
- CPG7 (Transport) 2011
- CPG8 (Planning Obligations) 2015

4.8 A copy of the above Camden Planning Guidance documents were sent with the questionnaire.

Emerging Planning Policy - Camden Local Plan Submission Draft 2016

4.9 The Camden Local Plan will replace the Core Strategy and Development Policies in 2016. The submission draft was approved by Cabinet and Full Council after a period of public consultation from 08/02/2016 to 04/04/2016. The Plan and associated documents were formally submitted to the Secretary of State for public examination along with copies of all representations received on 24/06/2016. The examination of the Plan is expected to be in October 2016.

4.10 The submitted plan for examination is now a material consideration in planning decisions. A number of the emerging policies are considered relevant to the subject appeal:

- E1 (Promoting a successful and inclusive Camden economy)
- E2 (Employment premises and sites)
- A1 (Managing the impact of development)
- A4 (Noise and vibration)
- Appendix 2 (Noise Thresholds)

5.0 REASONS FOR REFUSAL

5.1 Planning application **2015/5450/P** was refused on the 24th of March 2016 for the following 4 reasons:

1. *The proposed development, in the absence of a justification demonstrating that the premises is no longer suitable for continued business use would fail to support economic activity in Camden and result in the loss of employment opportunities within the Borough contrary to Policy CS8 (Promoting a successful and inclusive economy) of the London Borough of Camden Local Development Framework Core Strategy and DP13 (Employment sites and premises) of the London Borough of Camden LDF Development Policies, Policies 2.15 and 4.2 of the London Plan 2015 and paragraphs 14, 17 and 18-23 of the National Planning Policy Framework 2012.*
2. *The application fails to adequately demonstrate the residential flats would not experience an unacceptable level of internal noise and vibration contrary to policies CS5 (Managing the impact of growth and development), CS6 (Providing quality homes), DP26 (Managing the impact of development on occupiers and neighbours) and DP28 (Noise & vibration) of Camden's Local Development Framework.*
3. *The proposed development, by reason of its bulk, height and north facing windows, would result in loss of privacy, increased overlooking and loss of*

daylight/sunlight, harming the amenity of the occupiers at 110-114 Grafton Road contrary to policy CS5 (Managing the impact of growth and development) of the London Borough of Camden Local Development Framework Core Strategy and to policy DP26 (Managing the impact of development on occupiers and neighbours) of the London Borough of Camden Local Development Framework Development Policies.

4. *The proposed development, in the absence of a legal agreement to secure car-free housing for the residential units would be likely to contribute unacceptably to parking stress and congestion in the surrounding area, contrary to policies CS11 (Promoting sustainable and efficient travel) and CS19 (Delivering and monitoring the Core Strategy) of the London Borough of Camden Local Development Framework Core Strategy and policy DP18 (Parking standards and the availability of car parking) of the London Borough of Camden Local Development Framework Development Policies.*

6.0 THE COUNCIL'S STATEMENT OF CASE

- 6.1 The Council's case is briefly set out in the officer's delegated report (Appendix 2) which details the proposal, site and surroundings, the site history, consultation responses and an assessment of the proposal. The following section covers the reasons for refusal in more detail.

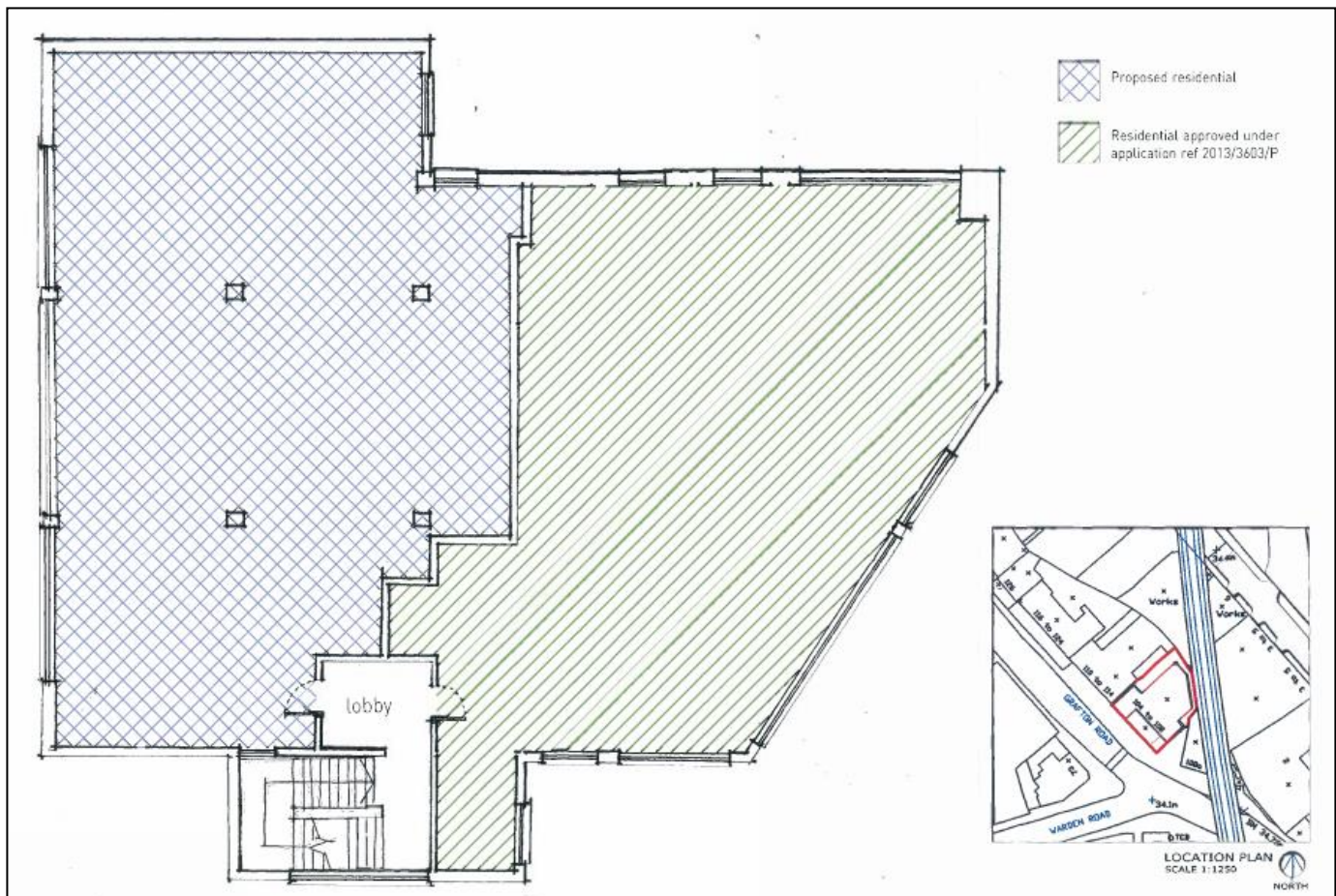
Prior Approval

- 6.2 The prior approval process requires an applicant to seek approval from the relevant local planning authority as to whether specified elements of a development are acceptable before work can proceed. A local planning authority cannot consider any other matters other than those specified in legislation when determining a prior approval application. The statutory requirements are therefore much less prescriptive than those relating to planning applications which assess proposals against a range of national, regional and local planning policies. Prior approvals include a range of time-limited permitted development rights. Some allow development to be retained permanently but require that it is completed by a specified date. This applies to office (B1a) to residential (C3) prior approvals.
- 6.3 A General Permitted Development Order (GPDO) amendment in 2013 introduced Class J to Part 3 of the GPDO. This was later carried through to the 2015 GPDO as Class O. The provisions allow a change of use of a building and any land within its curtilage to a use falling within Class C3 (dwelling house) from a use within Class B1a (offices). The aim of the provision is to encourage underused and outdated offices to be converted to contribute to housing supply, however, this permitted development right is temporary. Prior approval developments must be implemented (with the units occupied) within 3 years of being granted and there is a requirement to notify the local planning authority when the work has been completed. If the change of use is not completed by the date specified then enforcement action can be taken.
- 6.4 Prior approval applications must include a plan indicating the site and showing the proposed development. This includes proposed floor plans. External works to the building are not permitted as part of the procedure under Class J (GPDO 2013 amendments) or Class O (GPDO 2015). The local

planning authority must determine whether the prior approval of the authority will be required as to the transport and highway impacts; contamination risks and flooding risks.

- 6.5 The appeal site benefits from two prior approvals. 2013/3603/P was granted under Class J of the General Permitted Development Order (as amended in 2013) to change the use of the second and third floors of the building from office to residential (1 x 3 bed flat at second floor and 1 x 2 bed at third floor). The prior approval was granted on 22/08/2013. The development would need to be implemented by 22/08/2016 which means that it would need to be occupied by this date to be valid. The approved application does not include proposed plans as per the requirements of the GPDO. The proposed floor plans only include the areas which would be converted into residential in green diagonal lines. Prior approvals are required to show the layout of the proposed residential units including the location of all the rooms. While it is accepted that the Council has permitted the application, the vagueness of the details would make it difficult for the Appellant to establish its implementation to the Council.
- 6.6 The second prior approval (ref: 2015/1837/P) was granted under Class O of the GPDO 2015 to change the use of part of the second floor from office to residential (2 units). The prior approval was granted on 12/08/2015 and would need to be occupied by 12/08/2018. It only relates to a section of the second floor (approximately 176m²) so the majority of the employment space within the building would remain. The proposed plans are similarly vague to the other prior approval in that the floor plans only indicate the proposed residential floorspace with blue hatching. There is also no indication regarding the amount of bedrooms in each unit. The extent of the proposed floorspace is indicated in Figure 1 below:

Figure 1 (below): Second Floor Proposed Plan for 2015/1837/P



Article 4 Direction

- 6.7 An article 4 direction is a direction under article 4 of the GPDO which enables the Secretary of State or the local planning authority to withdraw specified permitted development rights across a defined area. The use of article 4 directions is limited to situations where this is necessary to protect local amenity or the wellbeing of an area. The potential harm that the direction intends to address needs to be clearly identified and there needs to be a particularly strong justification for the withdrawal of permitted development rights.
- 6.8 An article 4 direction means that a particular development cannot be carried out under permitted development and therefore needs a planning application. This gives a local planning authority the opportunity to consider a proposal in more detail. A local planning authority must inform the Secretary of State via the National Planning Casework Unit (NPCU) once it submits an article 4 direction. The Secretary of State does not have to approve article 4 directions and has the power to modify or cancel article 4 directions at any time before or after they are made.
- 6.9 The Council confirmed a 'non-immediate' article 4 direction for certain parts of the borough to withdraw the right to change from office to residential use through the prior approval process. The Secretary of the State subsequently modified the Council's direction which came into force on 05/11/2016. The modified direction includes the appeal site. The article 4 direction means that all sites within the area are no longer able to apply through the prior approval process to change the use of a building from office to residential. All sites with an existing prior approval have 3 years to implement the prior approval from the date of the decision. It will not be possible for these sites to apply for a subsequent prior approval once any existing applications expire.
- 6.10 The Council's supporting evidence for the article 4 direction included 'Office to Residential Permitted Development Rights Impact Study' prepared by TBR's Economic Research Team dated 22/07/2014 which is included within the questionnaire and attached as Appendix 4. The study makes it clear that any extension of the prior approval process would reduce the stock of office (B1a) premises available to businesses across the borough. The consequence of this would be a reduction in supply and an increase in rents, especially as the demand for business premises in the area is so great. This would result in a fall in firm numbers, employment and output as firms move out of Camden or close. An article 4 direction was sought across a wider area due to the dispersed location of firms, juxtaposition of offices and residential property, and the importance of Camden's creative businesses to both London and the nation. Kentish Town is mentioned throughout the document as a key office hub with excellent transport links.

Weight of Fallback Position

- 6.11 Prior approvals are different to permitted development rights as they are time-limited and subject to selective requirements. Therefore, they cannot be given as much weight as permitted development rights when being considered as a fallback position. Prior approvals are not assessed against planning policy in the same way as planning applications, which establish the principle of a development by rigorously testing it against a wide breadth of requirements. The weight given to prior approval is therefore not as significant as an extant planning permission.
- 6.12 Fallback positions can be considered in decision making, although the weight given to them depends on the real likelihood of any fallback actually being exercised in the event of a refusal. The relevant test, as established by *Westminster City Council v British Waterways Board* House of Lords judgement *Burge v SoS* 14/7/1987, is made on the balance of probabilities rather than the balance of possibilities. This means that a fallback position should only be considered if it is more probable that it would be implemented than not if the appeal were to be dismissed. The Council contends that it is more likely that the prior approval will not be implemented if the appeal were to be dismissed. This is because it is not considered that the change of use under the prior approvals represents a realistic fallback position for the appellant to adopt. In order for the fallback to be relevant, the residential conversion would need to be deliverable and viable. This has not been demonstrated by the Appellant.
- 6.13 The prior approval schemes would not involve any changes to the exterior of the building and would be significantly different from the appeal proposal. The fallback position and the appeal proposal are therefore not comparable developments, especially as the appeal proposal involves substantial extensions (including an additional floor) and external alterations to the building's fabric.
- 6.14 The majority of the fallback position relies on the prior approval under 2013/3603/P which involves the change of use of the majority of the second floor and the entire third floor providing approximately 262m² of residential floorspace. The prior approval would need to be implemented and occupied by 22/08/2016 and it would not be possible to extend this timeframe or apply for another prior approval as an article 4 direction applies to the appeal site which restricts this type of application. The Council considers that it would not be feasible for the Appellant to renovate the building ready for occupation and to find a willing occupier and have them within the newly converted residential building before this date. The building is currently occupied as a commercial premises and the Appellant would have to vacate this occupier. Clauses within the legal agreement would need to be met such as informing the Council of the official unit numbers of the residential units, cycle parking spaces would need to be provided on-site and each new occupier would need to be informed that they will

not be granted a Resident's Parking Permit (see clauses 4.1 and 4.2 of the s106 in Appendix 13 of the Appellant's 'Written Representations'). The building would not be lawfully converted into residential until these clauses were honoured. As the majority of the fallback position could not be realistically implemented in the event of a refusal, as this period will have passed by the time the Planning Inspectorate makes its decision, it cannot be considered a likely development under the balance of probabilities.

- 6.15 The prior approval under 2015/1837/P would convert only 176m² of floorspace. It is unlikely that it would be implemented on its own so it does not provide much weight as a fallback position. It would be impractical to only provide two residential units on a site otherwise comprising office space. This level of development would also not be sufficient justification to result in the loss of 496m² as per the appeal proposal.
- 6.16 The current building is a 1960's office building which is not externally or internally fitted to a level capable of residential accommodation. It would require substantial investment to bring any proposed residential units up to an acceptable standard for living accommodation. This includes upgrading of the fenestration and insulation, window replacements, drainage and plumbing for bathrooms and kitchens, electrical fit outs, heating, the floors would need to be replaced and carpeted/tiled as appropriate and partition walls, painting and other decoration would be required. This considerable amount of work could not possibly be completed before the 22nd of August, as well as putting the building on the market and securing a willing tenant. The amount of work required also illustrates what the Appellant would have to go through to implement their fallback position. The Appellant obviously does not consider this viable or feasible under their prior approval applications. The prior approval process does not allow external alterations to the building which would hinder these developments coming forward. It is not considered that the fallback position would provide units that would be attractive for perspective occupiers based on the condition of the building.
- 6.17 The fallback position would present substandard units in other aspects. The third floor due to its significant amount of glazing would not be suitable for a residential unit. The excessive glazing would lead to heating issues, light issues and noise issues from the adjacent railway. As stated the fallback scheme could not benefit from external works so the situation could not be improved. The second floor units approved under 2015/1837/P would be located to the front of the building. One of the units would have to be single aspect due to the location of the windows. Two of the windows within the floor area as part of this prior approval are north facing towards the adjacent building at 110-114 Grafton Road. These windows would have a poor outlook and provision of light. It is also noted that none of the units on the second floor would benefit from external amenity space. As these are 2 bed

and 3 bed units prospective occupiers would require this space as it would likely be occupied by small families. Development of this poor quality is unlikely to be implemented by the Appellant as it would not be viable to do so nor would the units be worth adequate value or considered worthy of occupation by prospective occupiers.

- 6.18 The Council considers that the prior approval applications are effectively unfeasible for all the reasons given and it is unlikely that they will ever be implemented. Therefore, they do nothing more than provide a theoretical fallback for the purpose of justifying the appeal proposal. This is due to the fallback position not being deliverable or viable and the fact that the appeal proposal is so remarkably different. The appeal proposal is for a development that would potentially be more deliverable and viable for the Appellant. It includes external spaces for all the residential units, upgraded building fabric, less glazing on the elevations, enlarged floor areas, additional units on the upper floors and other associated benefits. The Council does not consider that the Appellant would ever implement the fallback position, even if they were not subject to time restrictions.
- 6.19 It could be deduced that the Appellant prefers the appeal scheme over the fallback position; otherwise they would not be pursuing it through appeal. For the prior approvals to be considered as a genuine fallback position they would need to be implemented and occupied before submitting a full planning application, which would be extremely unlikely as this would result in significant abortive and costly building work to do this. If the fallback position had a realistic prospect of being implemented, the Council maintains that the Appellant would have done so but has failed to do so after having their original prior approval secured for nearly 3 years. The time delay indicates their true intentions.
- 6.20 Based on the above, the Council does not consider that the prior approvals should be considered as a fallback position. Prior approvals are a procedural exercise and are time-limited, with the main development due to expire by the 22nd of August 2016. Such a position cannot be given the same level of weight as permitted development rights which are not subject to the same time constraints or a planning permission which is assessed against planning policy. If the principle of these prior approvals is established as a fallback position the Council contends that there is a very limited likelihood that, if the appeal was to be dismissed, a change to residential use and the resultant loss of employment space would occur. The fallback position, therefore, does not have very considerable weight and on the balance of probabilities is more likely not to occur than otherwise. The appeal proposal must be assessed in accordance with applicable planning policies only as the prior approvals are not considered to be a material consideration in this instance.

Loss of Employment

- 6.21 Policy CS8 seeks to ensure that the borough retains a strong economy. It seeks to do this by, amongst other things, safeguarding existing employment sites that meet the needs of modern industry and employers. Policy DP13 seeks to implement the priorities outlined in CS8 and states that the Council will retain land and buildings that are suitable for continued business use and will resist a change to non-business use unless it can be demonstrated that the site is no longer suitable for its existing business use and there is evidence that the possibility of re-using or redeveloping the site for alternative business use is not viable.
- 6.22 As stated within the Officer Report (Appendix 3), the appeal site is located within the Kentish Town Centre in an attractive location for employment uses with a high demand for affordable, flexible office space suitable for small and medium-sized enterprises (SMEs). The site has excellent transport links and the current office space is occupied and suitable for continued use. No evidence has been submitted to justify that the site is no longer suitable for its existing business use.
- 6.23 The appeal proposal would result in the loss of 496m² of office floor space which is currently occupied with no justification submitted in line with policies CS8 and DP13 and CPG5 Town Centres, Retail and Employment) 2013 section 7. The provision of market housing in place of the Council's important employment space is not considered to outweigh this significant harm.
- 6.24 Paragraph 22 of the NPPF states that policies should avoid the long term protection of sites allocated for employment use only "*where there is no reasonable prospect of a site being used for that purpose*". In the case of the appeal proposal, a sustained marketing exercise has not been undertaken nor has it been demonstrated that a continued business use is not feasible. In the absence of evidence that justifies the loss of office space, the principle of the change of use is considered to be unacceptable.

Principle of Residential Development

- 6.25 Based on the above the principle of residential development is not acceptable as the Appellant has not demonstrated that the appeal site is not suitable for continued business use. Policy 22 of the NPPF states that the Council will seek to maximise the supply of homes on sites that are underused or vacant. The appeal site is currently occupied and no justification has been submitted to support that the appeal site is currently underused. The appeal proposal has therefore not demonstrated that this is a site suitable for residential development.
- 6.26 Paragraph 109 of the NPPF requires local planning authorities to contribute and enhance the local environment by "*preventing both new and existing development from contributing to or being put at*

*unacceptable risk from, or **being adversely affected by unacceptable levels of** soil, air, water or **noise pollution** or land instability". **Emphasis added.***

- 6.27 Policy 7.15 of the London Plan states that development proposals should seek to manage noise by separating new noise sensitive development from major noise sources (including rail transport) through the use of distance, screening or internal layout – in preference to sole reliance on sound insulation. This indicates that sound insulation measures are not adequate to manage noise sensitive uses. Their location and distance from the source is also important. Under the definition of ambient noise within the glossary of the London Plan it is stated that noise includes vibration.
- 6.28 Noise sensitive uses (or receivers) include domestic premises, hotels and hostels, educational institutions and hospitals and clinics. The appeal site currently contains an employment (office) use which is not as noise sensitive of a use as residential.
- 6.29 Policy DP28 makes it clear that development that exceeds Camden's Noise and Vibration Thresholds will not be permitted. Paragraph 28.3 states that:
- "Planning permission will not be granted for development sensitive to noise in locations that have unacceptable levels of noise. Where uses sensitive to noise are proposed close to an existing source of noise or when development that generates noise is proposed, the Council will require an acoustic report to ensure compliance with PPG24: Planning and noise."*
- 6.30 PPG24 has been superseded by the NPPF so the Council will have regard to its own Noise and Vibration Thresholds under policy DP28. The thresholds set out 5 tables (Table A-E) used to determine whether planning permission is appropriate. Table A provides standards for noise levels on residential sites adjoining railways and roads at which planning permission will not be granted.
- 6.31 CPG6 (Amenity) section 4 (noise and vibration) states in paragraph 4.10 that detailed acoustic/noise and vibration information in the form of a report will be required for a noise-sensitive development in an area where existing noise sources are present (including a railway line). The proposed residential units could not be closer to the railway line as it lies directly next to it and is on the upper levels of the appeal building in line with the railway itself. The Council cannot think of a more applicable situation than the appeal proposal in terms of the necessity of a noise impact assessment. Paragraph 4.12 sets out the details that would be expected within an acoustic report.
- 6.32 The appeal proposal includes the introduction of 5 residential units immediately adjacent (within 1.64m) to a railway line running along the

side and rear boundaries of the property. The proposed residential units at floors 2-4 include a number of balconies, roof terraces and windows serving habitable rooms which directly face the railway line. Some of the flats (including 3 and 5) would have the habitable windows of their living rooms and their balconies on an elevation directly facing the railway. As stated in paragraph 2.3 above, the adjacent railway is a busy one which predominately serves the London Overground line. Trains travel both directions between Kentish Town West to the south and Gospel Oak to the northeast between 06:09 to 00:07 daily with up to 18 trains going by every hour (approximately one every 3 minutes). Transport for London (TfL) is planning to expand their night time service (i.e. 24 hour trains) on parts of the London Overground in 2017. It is therefore likely that this area of the rail will operate over most of if it not all of the night with a late evening service.

- 6.33 Based on the above a noise impact assessment would be a mandatory requirement. The assessment would need to survey the noise and vibration levels on-site to indicate whether planning permission would be acceptable in principle. As stated above, the thresholds in DP28 set levels were noise and vibration levels indicate that planning permission will not be granted. The next level of the threshold indicates that residential development is acceptable subject to attenuation measures. Without the necessary assessment undertaken, the Council cannot ascertain whether the noise and vibration levels are at a level which planning permission will not be granted. Therefore, the appeal proposal must fail on this basis.
- 6.34 Due to the proximity of the proposed residential units to the railway line and the frequency of trains that pass by, it is considered likely that the resulting noise exposure would be noticeable and very disruptive causing an unacceptable adverse effect. This level of harm should be prevented.
- 6.35 Further to the above, even if the Appellant demonstrated that the stage had been met where a residential use would be acceptable subject to attenuation measures, policy 7.15 of London Plan states that proposals should manage noise through other measures than sound insulation such as distance, screening or internal layout. The distance of the proposed residential units is an issue due to their close proximity to the rail and the layout of the units along with their habitable rooms and balconies has been poorly arranged. Balconies and terraces should face away from the railway line, habitable rooms should not face the railway line if possible and all of the units should benefit from rooms which do not face the railway. For example, Flat 3 has its main habitable living areas (living, dining and kitchen) and only external amenity space on the elevation closest to the railway. The bathroom and 'ensuite' are on the location of the unit furthest from the railway which has failed to best utilise the layout and orientation of the unit.

- 6.36 The principle of residential development on-site has therefore not been demonstrated as the appeal building is suitable for continued employment use, the site is not underused or vacant and it has not been demonstrated whether noise and vibration would be at a level deemed acceptable for planning permission to be granted. The appeal proposal contradicts paragraphs 22 and 109 of the NPPF, policies 2.15, 4.2 and 7.15 of the London Plan, policies CS5, CS6, CS8, DP2, DP13, DP26 and DP28 of the LDF along with CPG5 and CPG6.

Residential Amenity

- 6.37 Core Strategy policy CS5, Development Policy DP26 and CPG6 (Amenity) seek to ensure that the existing residential amenities of neighbouring properties are protected, particularly with regard to visual privacy, outlook, daylight and sunlight, noise and air quality. Policy DP26 states that the Council will only grant permission for development that does not cause harm to amenity.
- 6.38 The closest residential units to the appeal site are within the adjacent building at 110-114 Grafton Road over the second, third and fourth floors. The southeast facing side elevation of these units contains habitable windows which lie directly opposite the appeal building some 6-6.5m away. These windows are the only ones serving those units. Appendix 5 includes photographs of the windows to illustrate how close they are. The windows are currently directly overlooked by the appeal building, however, as the appeal site current contains commercial uses this is not considered to be significantly harmful. Office uses are less likely to be occupied during the evening and weekend, when residential occupiers are more likely to be home. Commercial uses are also not as sensitive as residential ones in terms of outlook, overlooking and privacy.
- 6.39 The Officer Report in Appendix 2 describes the overlooking and loss of privacy impacts in detail. Paragraph 7.4 of CPG6 (Amenity) states that to ensure privacy, there should normally be a minimum distance of 18m between the windows of habitable rooms of different units that directly face each other. This guidance would be in breach in a number of instances. The introduction of a residential use on the upper storeys of the building, including an additional storey, would result in a material increase in overlooking. Large terraces would also be located in close proximity to the flats at 110-114 Grafton Road. Please refer to Appendix 2 for detailed commentary of the resulting harm.
- 6.40 Paragraph 26.3 of policy DP26 and paragraphs 6.3 and 6.4 of CPG6 (Amenity) state that the Council will require a daylight and sunlight report to accompany planning applications for development that has the potential to reduce levels of daylight and sunlight on existing and future occupiers, near to and within the proposal site. The appeal proposal includes the enlargement of the third floor and a new fourth floor in close proximity to 110-114. Due to this additional height and massing immediately adjacent to habitable windows of those units it is

considered that the appeal proposal could result in a loss of outlook and daylight/sunlight for those occupiers, especially as many of those windows are the only ones serving many of the single aspect units. In the absence of a daylight/sunlight assessment, or any accompanying justification whatsoever, the Appellant has failed to demonstrate that the proposed extensions would not have an adverse effect on daylight/sunlight levels experienced by the occupiers of the adjoining building. If the appeal proposal were approved without the necessary justification, it could not be confidently asserted that the living conditions of those occupiers would not suffer any undue harm.

- 6.41 Policy DP25 states that the Council will protect the quality of life of neighbours by only granting permission that does not harm amenity including visual privacy and overlooking, overshadowing and outlook as well as daylight/sunlight. Due to the conversion of the upper floors into residential use and the additional floor, it is considered that the proposed development would significantly harm the amenity of the adjacent occupiers at 110-114 Grafton Road which have habitable windows serving rooms and terraces/balconies within close proximity to the development.

Car-free Development

- 6.42 Reason for refusal 4 was based on the failure to secure the appeal proposal as a car-free development under a Section 106 legal agreement. The Council provides evidence below to demonstrate that the requirements are justified against relevant planning policy and meet the tests laid out in the Community Infrastructure Levy (CIL) Regulations 2010 in particular Regulation 122(2) which require that for a planning obligation to constitute a reason for granting planning permission it must be (a) necessary to make the development acceptable in planning terms, (b) directly related to the development, and (c) fairly and reasonably related in scale and kind to the development, and the National Planning Policy Framework (particularly paragraphs 203-206).
- 6.43 The Council requires this obligation to facilitate sustainability and to help promote alternative, more sustainable methods of transport. Considering the site has good links to public transport, is proposing 5 residential units and is located within a Controlled Parking Zone which is considered to suffer from parking stress, the development should be secured as car-free through a S106 legal agreement if the appeal were allowed.
- 6.44 This is in accordance with key principle 4 of the National Planning Policy Framework, Promoting sustainable transport, and policies CS11 (Promoting sustainable and sufficient travel); CS19 (Delivering and monitoring the Core Strategy); DP18 (Parking standards and availability of car parking); and DP19 (Managing the impact of parking) of the LDF.

- 6.45 A planning obligation is considered the most appropriate mechanism for securing the development as car-free as it relates to controls that are outside of the development site and the ongoing requirement of the development to remain car-free. The level of control is considered to go beyond the remit of a planning condition. Furthermore, the Section 106 legal agreement is the mechanism used by the Council to signal that a property is to be designated as “Car-Free”. The Council’s control over parking does not allow it to unilaterally withhold on-street parking permits from residents simply because they occupy a particular property. The Council’s control is derived from Traffic Management Orders (“TMO”), which have been made pursuant to the Road Traffic Regulation Act 1984. There is a formal legal process of advertisement and consultation involved in amending a TMO. The Council could not practically pursue an amendment to the TMO in connection with every application where an additional dwelling needed to be designated as car-free. Even if it could, such a mechanism would lead to a series of disputes between the Council and incoming residents who had agreed to occupy the property with no knowledge of its car-free status. Instead, the TMO is worded so that the power to refuse to issue parking permits is linked to whether a property has entered into a “Car-Free” Section 106 Obligation. The TMO sets out that it is the Council’s policy not to give parking permits to people who live in premises designated as “Car-Free”, and the Section 106 legal agreement is the mechanism used by the Council to signal that a property is to be designated as “Car-Free”.
- 6.46 Use of a Section 106 Agreement, which is registered as a land charge, is a much clearer mechanism than the use of a condition to signal to potential future purchasers of the property that it is designated as car free and that they will not be able to obtain a parking permit. This part of the legal agreement stays on the local search in perpetuity so that any future purchaser of the property is informed that residents are not eligible for parking permits.
- 6.47 CIL Compliance: The Car-free requirement complies with the CIL Regulations as it ensures that the development is acceptable in planning terms to necessarily mitigate against the transport impacts of the development as identified under the Development Plan for developments of the nature proposed. This supports key principle 4 of the National Planning Policy Framework: Promoting sustainable transport. It is also directly related to the development and fairly and reasonably related in scale and kind as it relates to the parking provision for the site and impact on the surrounding highway network.
- 6.48 The appellant has argued that a car capped planning obligation would be more appropriate as this is what was secured against previous prior approvals 2013/3603/P and 2015/1837/P. It must be pointed out that the Council were unable to apply our Core Strategies and Development Policies (i.e. our Local Development Framework) against these prior approval applications. Instead, we were only able to seek mitigation

against the transport and highway impacts of those applications. Both prior approval applications involved the retention of 9 on-site car parking spaces for the B1 office use, however, they failed to clarify which spaces would be available for the retained B1 office use and which spaces would be available to residents of the new residential dwellings. Our car parking standards should have been applied to both decisions (i.e. maximum of 0.5 spaces per dwelling in low parking provision areas (sites easily accessible by public transport where the PTAL rating is 4-6B).

- 6.49 Under the appeal proposal the Council can apply its Core Strategies and Development Policies. A car-free planning obligation is required to allow the proposal to be fully compliant with CS11, CS19, DP18 and DP19. CPG7 (Transport) strengthens the Council's case for a car-free planning obligation as it clearly states that car-free development is appropriate to sites which are easily accessible by public transport where the PTAL rating is 4-6B. Failure to secure a car-free planning obligation would constitute the proposal as unsustainable development. It would encourage and promote car ownership and use, thereby discouraging sustainable modes of transport such as walking, cycling and public transport. A car capped planning obligation would address the policy requirements of DP19, however, it would fail to address the policy requirements of CS11, CS19 and DP18. The 9 on-site car parking spaces would need to be retained for the exclusive use of the retained B1 office space (i.e. staff and visitors). It would be possible for prospective occupiers to occupy these parking spaces outside of standard office working hours. To prevent this, an appropriate condition could be attached in the event of a successful appeal to guard against this (e.g. management measures which would only allow access for B1 office staff and visitors during standard working hours).
- 6.50 The only circumstance where the Council would consider a car capped planning obligation to be appropriate is if the residential units were to be marketed exclusively as wheelchair dwellings. The need for a dedicated wheelchair accessible parking space on-site would then have more weight. However, the Council have experienced problems with this approach where such bays end up being unoccupied due to none of the residents meeting the criteria for their use (i.e. holder of a Blue Badge). The Council could provide wheelchair accessible parking spaces on-street at a future date if necessary (i.e. upon request if a new resident meets the criteria).
- 6.51 Should the Inspector consider a car capped obligation appropriate in this instance, Camden's parking standards would need to be applied as per page 156 of the Camden Development Policies. The appeal proposal would lead to the creation of 5 residential dwellings meaning that a maximum of 3 on-site car parking spaces could be allocated to the residential dwellings. The remaining 6 on-site car parking spaces would need to be retained for the exclusive use of the retained B1

office space (i.e. staff and visitors). This raises concerns that a car capped planning obligation would be impossible to enforce. For example, it would seem likely that some residents without an allocated parking space would occupy parking spaces allocated to the B1 office space outside of standard office working hours.

Economic Contributions

- 6.52 CPG8 (Obligations) states in paragraph 8.9 that the aim of policies CS8 and DP13 are to protect employment sites which provide employment opportunities, which is applicable to the appeal site. It states that in exceptional circumstances the Council may agree that a change of use is acceptable. The Council believes the justification put forward by the Appellant (i.e. the prior approval fallback position) is not exceptional circumstances. CPG8 states that when these exceptional circumstances are met and the loss of employment use would be expected to result in a reduction of job opportunities for Camden residents, developers may be required to contribute towards measures which create or promote opportunities for employment or training of local people. The Appellant is not willing to make such a contribution and has rejected the Council's stance that these would be required through a Section 106 legal agreement in the event of a successful appeal.
- 6.53 A financial contribution is usually sought when the net loss of employment space is 500m² or more and the building is occupied by a commercial tenant or has recently been vacated. It is noted that the appeal proposal would be slightly under the 500m², however, a payment was still sought from the Appellant who declined. As the appeal proposal is below the threshold the Council has not sought this as a reason for refusal.
- 6.54 If the appeal were to be successful, the Council would be concerned regarding the loss of employment floorspace and the lack of justification for this loss. It would also be concerned about the impacts of this loss of floorspace on the SMEs and community groups that are located in Star House and whether there is anything in place to enable those businesses and organisations to return if the appeal proposal were to be implemented as well as the future impact on employment space provision in an area where there is high demand for affordable, flexible office space that is suitable for SMEs. The failure to provide a financial contribution to help re-provide employment elsewhere in Kentish Town adds to these concerns.
- 6.55 The Council would expect the Appellant to work to Construction Industry Training Board (CITB) benchmarks for local employment when recruiting for construction-related jobs as per clause 8.28 of CPG8. This would include advertising all construction vacancies and work placement opportunities exclusively with the King's Cross Construction Skills Centre for a period of 1 week before marketing more widely; providing 3 construction work placement opportunities of not less than

2 weeks each through the Council's King's Cross Construction Skills Centre and to sign up to the Camden Local Procurement Code as per section 8.19 of CPG8. The Appellant has not agreed to sign up to any of the above clauses through a Section 106 agreement. They have also not indicated whether the existing tenants will have first right of refusal to floorspace if the scheme goes ahead and whether this floorspace would support SMEs and community organisations.

Planning Balance

- 6.56 Each of the reasons for refusal are considered to be sufficient to justify the refusal of the appeal proposal in their own right for the detailed reasons set out above and within the Officer Report (see Appendix 2). In combination they represent a scheme which falls dramatically short of national, regional and local policy and would not represent sustainable development.
- 6.57 Based on the above, the appeal proposal is considered to fail on the three dimensions of sustainable development – economic, social and environmental – as specified in paragraph 7 of the NPPF. The appeal proposal is not considered to be sustainable and while there would be some public benefit from 5 residential units, which would be of sub-standard quality, it would be outweighed by the demonstrable harm outlined within this Statement of Case, the Officer Report and the reasons for refusal in the Decision Notice.

Conclusion

- 6.58 The Council has set out above the reasons why the planning application was refused and why it upholds the reasons for refusal on the grounds of loss of employment space, substandard living accommodation through noise and vibration levels, significant harm to the living conditions of adjacent occupiers and parking stress and congestion.
- 6.59 The Inspector is therefore respectfully requested to dismiss the appeal against the refusal of planning permission 2015/5450/P.

7.0 APPELLANT'S GROUNDS OF APPEAL

- 7.1 The Appellant has submitted a document titled 'Written Representations' which is broken into 8 sections and 13 appendices. The case for the Appellant (section 7) is made up of 7 issues:
- Issue 1 – The principle of development
 - Issue 2 – The fallback position and weight to be afforded
 - Issue 3 – Loss of Employment
 - Issue 4 – Noise and Vibration Impact
 - Issue 5 – Residential Amenity
 - Issue 6 – Parking Stress and congestion
 - Issue 7 – The Planning Balance

- 7.2 The issues raised in 'Written Representations' are largely covered in sections 5 and 6 of this appeal statement and within the Officer Report in Appendix 2. The below paragraphs respond directly to some of the points made. It is noted that paragraph 4.12 claims that the case officer was supportive of the scheme in principle during the site visit. This is completely false and the officer's approach is clear in the correspondence attached as appendix 7 of the Appellant's statement.
- 7.3 In paragraph 6.54 the Appellant states that paragraph 13.6 of the Plan provides support for employment uses alongside other uses such as residential. It is noted that policy DP13 will only consider redevelopment proposals for mixed use schemes that maintain or increase the level of employment space. The appeal proposal would result in the significant reduction of employment space. It is claimed in table 1.1 of 'Written Representations' that the building currently provides 1119m² of B1 use and that 691m² would remain, which is a loss of over 38%.
- 7.4 Paragraph 6.64 refers to London Plan paragraph 4.13 which supports the conversion of surplus offices to other uses. The appeal site is not considered to be surplus office space (the Appellant has not demonstrated that it is not suitable for continued employment use) and is protected by an article 4 direction.

Issue 1 – The principle of development

- 7.5 The Appellant mentions in paragraph 7.5, and elsewhere further in their statement, that the appeal proposal would lead to updated and modernised employment space. No evidence has been submitted to prove that the existing employment space needs updating such as marketing justification or a condition survey. Whether or not these upgrades are required they could be implemented as part of internal renovations without the need for planning permission. In any event, the upgrading of a section of the existing office space would not outweigh the harm caused by the significant loss of office space.
- 7.6 Paragraph 7.7 claims that policy CS5 is met as additional housing is provided alongside employment opportunities. As outlined above and in the Officers Report in Appendix 2, the principle of additional housing has not been established and would be of substandard quality due to noise and vibration issues and mutual overlooking impacts with the adjacent building at 110-114 Grafton Road. The amenities of the adjacent occupiers at 110-114 are not protected as claimed and employment opportunities are lost through the reduction in office floorspace.
- 7.7 The Appellant contends in paragraph 7.12 and later on in their statement that significant external improvements would be brought providing a high quality modern exterior to the appeal building. It is not considered that the existing building is in a poor state and it has its own

merit in terms of its physical appearance and contribution to the townscape (i.e. the industrial heritage of the locality). Paragraph 63 of the NPPF attaches great weight to “*outstanding or innovative designs which help to raise the standard of design more generally in the area*”. The appeal proposal is not considered to be an outstanding or innovative design. Whilst it is modern, unobjectionable and would reflect the recent development at 110-114, it is not considered to be the “*highest standard of design*” required by policy DP24 (para 24.1). The upgraded exterior is not considered of sufficient design quality to outweigh the other demonstrable impacts associated with the appeal proposal.

- 7.8 In response to paragraph 7.14 of the Appellant’s ‘Written Representations’, providing a mixed use scheme and maximising the floorspace vertically does not make a scheme sustainable by default. A mixed use scheme needs to provide the right balance and type of uses suitable for a particular site.

Issue 2 – The fallback position and weight to be afforded

- 7.9 The Appellant has failed to provide any evidence that prior approvals can be used as a fallback position when assessing planning applications. They claim that the Council’s approach is flawed and unreasonable despite not producing any relevant case law to justify their position. The Council considers that the Appellant is relying too heavily on the prior approval process to justify a development that is contrary to a number of planning policies. The submitted application and appeal fails to address a number of the Council’s policy requirements and this point was made clear before the application was registered. No justification has been submitted to demonstrate whether the employment space is suitable for continued use, a noise impact assessment has not been submitted to assess the noise and vibration levels from the adjacent railway line and a daylight and sunlight report has not been submitted to assess whether any harm would result to 110-114 Grafton Road. This information is necessary to assess a planning proposal against national, regional and local policies and cannot be disregarded based on two prior approval applications which have no realistic prospect of being implemented. Even if the prior approvals were implemented on-site, therefore being realised as more than a hypothetical prospect, the Council would still require a noise impact assessment for the additional proposed units as part of the extension. The appeal proposal is creating more residential accommodation than the fallback position and the lack of information cannot be justified in this instance.
- 7.10 Paragraph 7.21 quotes a paragraph from Planning Law Practice and Precedents which makes reference to development benefitting from the Use Classes Order, which should be used as a material consideration. It is noted that the proposed change of use from office to residential does not benefit from deemed consent in the Use Classes Order, it requires prior approval. Such applications are time-limited and have

certain restrictions (such as no external alterations). The current prior approvals are time sensitive with the main approval expiring on August the 22nd 2016. It is also noted that the remainder of the building (i.e. the ground and first floors) do not benefit from the right to apply for prior approval from office to residential due to the article 4 direction.

- 7.11 It is correctly noted in paragraph 7.26 of the Appellant's Statement that the nature of the consent and the likelihood of the permission being implemented should determine the weight of a fallback position. The existing consents are prior approvals which are time-limited, unlike permitted development, and have not been assessed against planning policy like an extant planning permission. Extant planning permissions can be varied, include external alterations and are assessed in accordance with planning policy. Prior approvals cannot be afforded as much weight as either permitted development or an extant planning permission. It has already been discussed in detail above that the likelihood of the prior approvals being implemented - especially 2013/3603/P - is very limited. The Appellant has failed to demonstrate that the prior approvals are viable and feasible and that they would realistically be implemented.

Issue 3 – Loss of Employment

- 7.12 The Appellant contends that the loss of employment floorspace (496m²) occurs as a result of the prior approvals. The Council notes that the prior approvals have not been implemented so the floorspace is yet to be lost. The appeal proposal must be compared with the existing situation, not a hypothetical development that has a limited likelihood of being implemented.
- 7.13 The 'Written Representations' mentions that the appeal proposal would add a further 38m² of employment space by infilling the undercroft at ground floor level. It is not considered that this small quantum of floorspace would address the significant loss of the upper floors. Paragraph 8.13 of CPG8 states that 12m² of office space is required per employee. This would result in 3 jobs. The extended area would become a new entrance which would mean this area would be likely to provide less than this. Due to the reduction of employment floorspace the appeal proposal would result in the loss of 41 jobs.
- 7.14 Paragraph 7.42 of the Appellant's statement summarises how the appeal scheme meets the objectives of policies CS8 and DP13. One of the bullet points states that:

"Does not purport that the building is no longer suitable for office use..."

Here the Appellant has admitted that the building is suitable for continued employment use. The appeal scheme therefore fails to comply with policy CS8 and DP13 as it is made clear that the *"Council will retain land and buildings that are suitable for continued business*

use...” The policy goes on to list situations when it will allow the loss of employment space, the Appellant has not submitted any evidence in line with policy requirements and has conceded that the building is suitable to continue with its current use as employment space.

Issue 4 – Noise and Vibration Impact

- 7.15 The Appellant has relied on the prior approval fallback position as justification for not providing any justification as to whether residential development would be acceptable immediately adjacent to a railway line. While noise and vibration impacts are not part of the assessment for prior approvals they are for planning applications which is what is being assessed here. The Appellant claims that employment spaces are noise sensitive, however, they are not considered as noise sensitive as residential uses. The majority of the buildings around the railway line, particularly to the north and east, are employment uses with residential development set further back. Employment uses do not have the same protection under planning policy when floorspace is being created. Policy DP28 refers to residential sites, which is the most noise sensitive of uses. Notwithstanding this, an appeal proposal is being considered for a residential scheme and it must be assessed as to whether it would be appropriate in this location. Without any details of noise and vibration levels submitted through a noise impact assessment it is not possible to confirm that such development would be appropriate.
- 7.16 The Appellant considers that noise and vibration details could be reserved for condition which the Council disputes. Policy DP28 requires these upfront. It needs to be demonstrated that noise and vibration levels are at a level that planning permission will be granted. The Council cannot be expected to approve a scheme when the noise and vibration levels could be at a level where planning permission will not be granted. It is an in principle matter that must be resolved through the application process.
- 7.17 The Appellant makes reference to a planning approval at the adjacent building at 110-114 Grafton Road approved under 2007/1649/P. This approval included a prior commencement condition requiring details of sound insulation and anti-vibration measures. It is unknown whether a noise impact assessment was submitted as part of the application as it is a historic. Not all of the documents have been kept on the Council's system. Nevertheless, it was approved under a different policy period (including earlier national, regional and local plan periods), it is located further away from the railway than the appeal building, the appeal site acts as a buffer between 110-114 and the railway and the application at 110-114 was assessed with its own specific circumstances. A planning approval made over 9 years ago does not bind the Council to follow the same approach on similar applications. Furthermore, a bad development or decision does not justify further such decisions.

Issue 5 – Residential Amenity

- 7.18 Paragraph 7.63 of the Appellant's statement mentions that the appeal building is already very close to the adjacent one at 110-114. This does not justify the additional built form or any resulting harm to the living conditions of the adjacent occupiers. The fact that the buildings are very close is a reason as to why the appeal proposal is unacceptable. Whether additional built form has any harm on neighbouring occupiers depends on its proximity and relationship with those buildings and the height, scale and massing of the additions. In this instance the elevations being converted into residential and the areas being extended lie directly opposite habitable windows at 110-114. The third bullet point in the paragraph mentions that the affected window is secondary, however, this does not justify the harm to the south facing window which would be overlooked by 2 levels of habitable windows and a large terrace proposed at Flat 4. The large terrace would also result in noise and general disturbance. The Appellant considers that the appeal proposal would not make any significant difference to daylight and sunlight. No justification has been submitted to support this unsubstantiated claim. A Daylight and Sunlight Report would be required to undertake this assessment.
- 7.19 The Appellant notes that mutual overlooking is typical in high density locations such as Camden which the local planning authority considers is not sufficient justification to overcome its concerns. Overlooking must be judged on a case by case basis. In the instance of the appeal proposal, it is considered that overlooking would result and the rationale put forward is not of any merit. The Appellant goes on to state the appeal building is already in close proximity to 110-114 Grafton Road which windows directly overlooking each other. As previously mentioned the appeal site currently serves an employment use. The introduction of a residential use would be harmful and materially increase the existing levels of overlooking.
- 7.20 It is not considered that the residential amenity concerns could be resolved through planning conditions and it would lessen the quality of living accommodation of the appeal proposal. The majority of the windows that would need to be obscurely glazed and fixed shut are the only source of light and outlook to habitable rooms. Imposing conditions to ensure they are obscured and fixed shut would significantly detract from the quality of life of the prospective occupiers. Although these windows are largely north facing, they would still need to meet average daylight factor (ADF) levels for new residential development. Obscuring the windows would reduce the likelihood of the windows passing these tests. A Daylight and Sunlight Assessment has not been submitted to establish whether the proposed units would comply with BRE standards in any event. Overlooking and a loss of privacy through noise and general disturbance would continue to be possible from the large third floor level roof terraces. In addition, the introduction of screening along the northeast facing elevation of the roof terrace serving Flat 5 would be an unneighbourly addition for the

residential units directly opposite. A screen of at least 1.8m in height would be required which would reduce the outlook and have an overbearing impact on the adjacent occupiers.

- 7.21 The Appellant has made reference to there being no objections from the neighbouring flats. This does not make the appeal proposal acceptable by default; it must be assessed against planning policy. The Council is unaware of the individual circumstances of each individual occupier consulted and their silence as part of the consultation process does not override its overwhelming concerns.

Issue 6 – Parking Stress and congestion

- 7.22 The Council has made its case clear in paragraphs 6.42-6.51 above.

Issue 7 – The Planning Balance

- 7.23 The benefits put forward within this section are disputed by the Council. The additional housing is of substandard quality (predominantly due to noise and vibration concerns as well as overlooking/privacy), maximising a development is not necessary a benefit in itself as a development needs to be acceptable, employment floorspace is being lost, construction and investment are temporary and modest benefits and the current appeal building is considered to be of merit and reflects the industrial character of the area, the upgrades are considered modest and do not outweigh the other harm identified above.
- 7.24 In response to paragraphs 7.91 and 7.92 of the Appellant's statement no evidence or examples have been submitted where appeal inspectors have attached weight to additional housing. There is also no justification regarding the comment relating to "inadequate levels of house building in recent years". Camden comfortably meets its housing targets. These points add no weight to the Appellant's argument and are more examples of their approach to this appeal which has relied on unsubstantiated claims and a lack of justification for departure from planning policy.
- 7.25 Construction related economic benefits are likely to be minimal and the Appellant has not quantified them in any way. In fact, the Appellant has not offered any employment and training contributions or any apprenticeships through the construction process.
- 7.26 The Appellant claims that the renovation to the building would make it more efficient through fabric improvements. This is another unjustified claim. No evidence has been submitted regarding how the building would improve in terms of energy efficiency, carbon reductions and waste production. The Appellant has also ignored the fact that the development would pose a level of environmental harm through the construction process by creating dust, noise and waste. It would result in the removal of materials from the building which would become waste, materials would be used during the construction process and

there would be harm to residents (albeit temporary) while works are taking place.

- 7.27 Within the conclusions the Appellant falsely claims that the prior approvals can be implemented at any time. These applications are time-sensitive with the main approval expiring on the 22nd of August 2016. They go on to state that the application was refused without further negotiation. This is not the case. The Appellant was repeatedly asked for further information from the validation period right up until the refusal. They were informed that the application was going to be refused before the 8 week statutory period. The Council allowed substantial revisions following feedback before re-consulting on the proposal. The Appellant was given the opportunity to make design improvements, alterations to improve overlooking (through the use of screening) and was requested to provide further information regarding loss of employment space, daylight/sunlight and noise and vibration. The Appellant ultimately failed to address the issues through the period of negotiation.

8.0 Community Infrastructure Levy (CIL)

- 8.1 The London Borough of Camden introduced the Community Infrastructure Levy (CIL) on the 1st of April 2015 to help pay for local infrastructure. This is in addition to the Mayoral CIL which helps fund the Crossrail introduced on 1st April 2012. Any permission granted after this time which adds more than 100m² of new floorspace or a new dwelling will need to pay the CIL charge.
- 8.2 The proposal would be CIL liable for Mayoral and Camden charges if it were considered to be acceptable. The CIL would be calculated based on the total gross internal floor space. For the additional residential floor space the appellant would be required to pay £550 per square metre (combined Camden and Mayoral CIL) and £75 per square metre for any office space.

9.0 CONCLUSION

- 9.1 On the basis of information available and having regard to the entirety of the Council's submissions, including the contents of this Statement of Case, the Inspector is respectfully requested to dismiss the appeal.

10.0 LIST OF APPENDICES

Appendix 1 – Suggested conditions for 2015/5450/P

Appendix 2 – Officer Report for 2015/5450/P

Appendix 3 – Decision Notice for 2015/5450/P

Appendix 4 – ‘Office to Residential Permitted Development Rights Impact Study’ prepared by TBR’s Economic Research Team dated 22/07/2014

Appendix 5 – Site Photos

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Appendix 1 – Suggested conditions for 2015/5450/P

- 1) The development hereby permitted must be begun not later than the end of three years from the date of this permission.

Reason: In order to comply with the provisions of Section 91 of the Town and Country Planning Act 1990 (as amended).

- 2) The development hereby permitted shall be carried out in accordance with the following approved plans: (M.0315_)01-1; 01-2; 01-3; 02-1; 03C-1; 03C-2; 03C-3; 04C-1; 05A-1; 06A-1; 06C-1; 07C-1; 08-1, Loss of Employment Statement (ref: LHU/CIR.M.0315) and cover letters dated 25/09/2015 and 18/02/2016 (ref: LHU/CIR.M.0315).

Reason: For the avoidance of doubt and in the interest of proper planning.

- 3) Sample panels of the facing materials demonstrating the proposed colour, texture, face-bond and pointing shall be provided on site and approved in writing by the local planning authority before the relevant parts of the works are commenced and the development shall be carried out in accordance with the approval given. The approved panel shall be retained on site until the work has been completed.

Reason: To safeguard the appearance of the premises and the character of the immediate area in accordance with the requirements of policy CS14 of the London Borough of Camden Local Development Framework Core Strategy and policy DP24 of the London Borough of Camden Local Development Framework Development Policies.

- 4) Detailed drawings at a scale of 1:20 (including sections, elevations and plans where appropriate) in respect of the following shall be submitted to and approved in writing by the local planning authority before the relevant work is begun:

- a) Typical details of all windows and doors
- b) All railings and balustrades

Reason: To safeguard the appearance of the premises and the character of the immediate area in accordance with the requirements of policy CS14 of the London Borough of Camden Local Development Framework Core Strategy and policy DP24 of the London Borough of Camden Local Development Framework Development Policies.

- 5) No lights, meter boxes, flues, vents or pipes, and no telecommunications equipment, alarm boxes, television aerials or satellite dishes shall be fixed or installed on the external face of the building, without the prior approval in writing of the local planning authority.

Reason: To safeguard the appearance of the premises and the character of the immediate area in accordance with the requirements of policy CS14

of the London Borough of Camden Local Development Framework Core Strategy and policy DP24 and DP25 of the London Borough of Camden Local Development Framework Development Policies.

- 6) Prior to the occupation of the residential (Class C3) units, details of secure and covered cycle storage area for 9 cycles shall be submitted to and approved by the local planning authority in writing. The approved facility shall thereafter be provided in its entirety prior to the first occupation of any of the new units, and thereafter permanently retained thereafter.

Reason: To ensure the development provides adequate cycle parking facilities in accordance with the requirements of policy CS11 of the London Borough of Camden Local Development Framework Core Strategy and policy DP17 of the London Borough of Camden Local Development Framework Development Policies.

- 7) Prior to the commencement of the development, a noise impact assessment shall be submitted to demonstrate whether the noise and vibration levels are acceptable for residential development. Subject to the noise and vibration levels being at an acceptable for planning permission to be granted, full details of attenuation measures must be submitted and provided for the building prior to the occupation of the development and shall remain in perpetuity.

Reason: To safeguard the amenities of the upper residential floors in accordance with the requirements of policies CS5 and CS7 of the London Borough of Camden Local Development Framework Core Strategy and policy DP26 and DP12 of the London Borough of Camden Local Development Framework Development Policies.

- 8) Noise levels at a point 1 metre external to sensitive facades shall be at least 5dB(A) less than the existing background measurement (LA90), expressed in dB(A) when all plant/equipment (or any part of it) is in operation unless the plant/equipment hereby permitted will have a noise that has a distinguishable, discrete continuous note (whine, hiss, screech, hum) and/or if there are distinct impulses (bangs, clicks, clatters, thumps), then the noise levels from that piece of plant/equipment at any sensitive façade shall be at least 10dB(A) below the LA90, expressed in dB(A).

Reason: To safeguard the amenities of the adjoining premises and the area generally in accordance with the requirements of policy CS5 of the London Borough of Camden Local Development Framework Core Strategy and policies DP26 and DP28 of the London Borough of Camden Local Development Framework Development Policies.

- 9) Before the development commences, details of the location, design and method of waste storage and removal including recycled materials for both the commercial and residential uses, shall be submitted to and approved by the local planning authority in writing. The facility as

approved shall be provided prior to the first occupation of any of the used and permanently retained thereafter.

Reason: To ensure that sufficient provision for the storage and collection of waste has been made in accordance with the requirements of policy CS18 of the London Borough of Camden Local Development Framework Core Strategy and policies DP26 and DP28 of the London Borough of Camden Local Development Framework Development Policies.

- 10) Prior to construction the development hereby approved shall submit a sustainability statement demonstrating how sustainable design principles and climate change adaptation measures have been incorporated into the design and construction of the development to be approved by the Local Planning Authority. Prior to occupation, evidence demonstrating that the approved measures have been implemented shall be submitted to and approved in writing by the Local Planning Authority and shall be retained and maintained thereafter.

Reason: To ensure the development contributes to minimising the effects of, and can adapt to a changing climate in accordance with policies CS13 (Tackling climate change through promoting higher environmental standards) and DP22 (Promoting sustainable design and construction).

- 11) The development hereby approved shall achieve a maximum internal water use of 105 litres/person/day, allowing 5 litres/person/day for external water use. Prior to occupation, evidence demonstrating that this has been achieved shall be submitted to and approved by the Local Planning Authority.

Reason: To ensure the development contributes to minimising the need for further water infrastructure in an area of water stress in accordance with policies CS13 (Tackling climate change through promoting higher environmental standards), DP22 (Promoting sustainable design and construction) and DP23 (Water).

- 12) Prior to construction the development hereby approved shall submit an energy statement demonstrating how a 19% reduction in carbon dioxide emissions beyond Part L 2013 Building Regulations in line with the energy hierarchy has been submitted to and approved in writing by the Local Planning Authority. Prior to occupation, evidence demonstrating that the approved measures have been implemented shall be submitted to and approved in writing by the Local Planning Authority and shall be retained and maintained thereafter.

Reason: To ensure the development contributes to minimising the effects of, and can adapt to a changing climate in accordance with policies CS13 (Tackling climate change through promoting higher environmental standards) and DP22 (Promoting sustainable design and construction).

- 13) Prior to the commencement of the development, full details of screening, obscure glazing and other measures to reduce instances of overlooking and loss of privacy to the neighbouring occupiers at 110-114 Grafton Road shall be submitted to and approved in writing by the local Planning Authority. The development shall be carried out in accordance with the details thereby approved and permanently maintained thereafter.

Reason: In order to prevent unreasonable overlooking of neighbouring premises in accordance with the requirements of policy CS5 of the London Borough of Camden Local Development Framework Core Strategy and policy DP26 of the London Borough of Camden Local Development Framework Development Policies.

- 14) Prior to the occupation of the development details of the means of preventing residential occupiers from parking on-site shall be submitted to and approved by the Local Planning Authority. Parking spaces on-site shall only be used by employment (B1) staff and visitors during standard working hours.

Reason: To prevent parking stress and congestion in the surrounding area in accordance with the requirement of policies CS11 (Promoting sustainable and efficient travel) and CS19 (Delivering and monitoring the Core Strategy) of the London Borough of Camden Local Development Framework Core Strategy and policy DP18 (Parking standards and the availability of car parking) of the London Borough of Camden Local Development Framework Development Policies.

- 15) At least 28 days before development commences:

- (a) a written programme of ground investigation for the presence of soil and groundwater contamination and landfill gas shall be submitted to and approved by the local planning authority; and
- (b) following the approval detailed in paragraph (a), an investigation shall be carried out in accordance with the approved programme and the results and a written scheme of remediation measures [if necessary] shall be submitted to and approved by the local planning authority.

The remediation measures shall be implemented strictly in accordance with the approved scheme and a written report detailing the remediation shall be submitted to and approved by the local planning authority prior to occupation.

Reason: To protect future occupiers of the development from the possible presence of ground contamination arising in connection with the previous industrial/storage use of the site in accordance with policy CS5 of the London Borough of Camden Local Development Framework Core Strategy and policy DP26 of the London Borough of Camden Local Development Framework Development Policies.

- 16) Full details in respect of a green roof on the main roof area shall be submitted to and approved by the local planning authority before the relevant part of the development commences. The buildings shall not be occupied until the approved details have been implemented and these works shall be permanently retained and maintained thereafter.

Reason: In order to ensure the development undertakes reasonable measures to take account of biodiversity and the water environment in accordance with policies CS13, CS15 and CS16 of the London Borough of Camden Local Development Framework Core Strategy and policies DP22, DP23 and DP32 of the London Borough of Camden Local Development Framework Development Policies.

Appendix 2 – Officer Report for 2015/5450/P

Delegated Report		Analysis sheet	Expiry Date:	25/12/2015
		N/A / attached	Consultation Expiry Date:	16/03/2016
Officer			Application Number(s)	
Jonathan McClue			2015/5450/P	
Application Address			Drawing Numbers	
104 Star House Grafton Road London NW5 4BA			Refer to Decision Notice	
PO 3/4	Area Team Signature	C&UD	Authorised Officer Signature	
Proposal(s)				
Change of use from office (B1a) to mixed use office (B1a) on the ground and first floors and 5x self-contained residential flats (C3) on floors 1-4 (1x one bed; 2x two bed; 2x three bed units), extension to enlarge the third floor and create an additional fourth floor, alterations to building fenestration including ground floor front infill and associated works.				
Recommendation(s):		Refuse		
Application Type:		Full Planning Permission		

Conditions or Reasons for Refusal:	Refer to Decision Notice					
Informatives:						
Consultations						
Adjoining Occupiers:	No. notified	21	No. of responses	01	No. of objections	00
Summary of consultation responses:	<p>21 consultation letters to adjoining properties were originally sent on 02/11/2015. Following revisions to materially alter the design of the proposal and to include a ground floor infill extension, the adjoining occupiers were re-consulted on 19/02/2016. A site notice was also displayed from 24/02/2016.</p> <p>One comment was received from an occupier within 110-114 Grafton Road. They requested details of operating hours during construction and whether the new residents would benefit from on-site parking or the ability to apply for parking permits.</p> <p>Officer comments: On-site parking for residents does not form part of the proposal and if permission were considered acceptable then the residents would be exempt from applying for parking permits. Noise from demolition and construction works would be subject to the Control of Pollution Act 1974. Construction that can be heard at the boundary of the site must take place between 08.00 and 18.00 Monday to Friday and 08.00 to 13.00 on Saturday and not at all on Sundays and Public Holidays.</p>					
CAAC/Local groups* comments: *Please Specify	NA					

Site Description

This application relates to Star House located at 104-108 on the north eastern side of Grafton Road near the junction with Warden Road. The property contains a part three/part four storey office (B1a) building dating from the 1960's, a single storey block of garages to its side, two crossovers and two on-site parking spaces. The main building includes an undercroft with a car port.

110-114 Grafton Road is attached to the northeast. It contains a five storey building with employment uses on the ground and first floors and 12 residential flats above. The southeast (side) elevation directly faces the adjacent side elevation of the host building with windows mutually overlooking each other in close proximity. To the rear (north) of the site lies 3-6 Springs Place serving industrial uses. On the eastern side of the application site is the railway which predominately serves the London Overground line. It runs north to south directly adjacent to the side and rear boundaries of the site.

The site is now the subject of an Article 4 Direction removing permitted development rights for changes of use from office (B1a) to residential (C3). In addition, the site has contamination potential and is located within the Kentish Town Centre. The building is not listed and does not lie within a conservation area.

Relevant History

2013/3603/P: Prior approval was granted under Class J of the General Permitted Development Order to change the use of the second and third floors of the building from office (B1a) to residential (C3). The prior approval was granted on 22/08/2013 for a 3 bed unit on the second floor and a 2 bed unit on the third floor.

2015/1837/P: Prior approval was granted under Class O of the General Permitted Development Order to change the use of part of the second floor from office (B1a) to provide two residential (C3) flats. The prior approval was granted on 12/08/2015.

Relevant policies

National Planning Policy Framework 2012

Paragraphs 12, 14, 17, 18-22, 23-27, 29-41, 47-55 and 56-66.

London Plan March 2015, consolidated with alterations since 2011

Policies 2.15 (Town Centres), 3.3 (Increasing housing supply), 3.5 (Quality and design of housing developments), 4.2 (Offices), 6.9 (Cycling), 7.4 (Local character) and 7.6 (Architecture).

Local Development Framework 2010

Core Strategy

CS1 (Distribution of growth)
CS5 (Managing the impact of growth and development)
CS6 (Providing quality homes)
CS7 (Promoting Camden's Centres and shops)
CS8 (Promoting a successful and inclusive Camden economy)
CS11 (Promoting sustainable and efficient travel)
CS13 (Tackling climate change through promoting higher environmental standards)
CS14 (Promoting high quality places and conserving our heritage)
CS19 (Delivering and monitoring the Core Strategy)

Development Policies

DP1 (Mixed use development)
DP2 (Making full use of Camden's capacity for housing)
DP5 (Homes of different sizes)
DP12 (Supporting strong centres & managing food, drink, entertainment & t/c uses)

DP13 (Employment premises and sites)
DP16 (The transport implications of development)
DP17 (Walking, cycling and public transport)
DP18 (Parking standards and limiting the availability of car parking)
DP19 (Managing the impact of parking)
DP20 (Movement of goods and materials)
DP21 (Development connecting to the highway network)
DP22 (Promoting sustainable design and construction)
DP23 (Water)
DP24 (Securing high quality design)
DP26 (Managing the impact of development on occupiers and neighbours)
DP28 (Noise and vibration)
DP29 (Improving access)
DP32 Air quality and Camden's Clear Zone

Camden Planning Guidance (CPG)

CPG1 (Design) 2015
CPG2 (Housing) 2015 section 5
CPG3 (Sustainability) 2015
CPG5 (Town Centres, Retail and Employment) 2013 section 7
CPG6 (Amenity) 2011 sections 2, 4, 6 and 7
CPG7 (Transport) 2011 section 5
CPG8 (Planning Obligations) 2015 section 10

Kentish Town Neighbourhood Forum Neighbourhood Plan Proposal – Submission November 2015

Assessment

1.0 Proposal

1.1 Planning permission is sought for external and internal alterations to the building to create a mixed used development with office (B1a) on the ground and first floors and 5 self-contained residential units on the second, third and fourth floors.

1.2 An extension would be made at ground floor level to infill the undercroft area to the front of the building. This would provide 38sq.m of additional floor area.

1.3 The second floor of the building would be converted into private residential use. It would provide 3 self-contained units including a 1 bed and 2 x 2 bed flats. Each unit would have a recessed balcony. Two balconies are proposed on the front elevation on Grafton Road and one on the side elevation fronting the railway.

1.4 The third floor would be converted into private residential use and it would be extended towards Grafton Road to create further accommodation. This floor would provide habitable living accommodation (kitchen, dining and living rooms) for units 4 and 5 which serve 3 bedroom flats. Two large roof terraces would be created on this level which would face Grafton Road, the adjacent property at 110-114 Grafton Road as well as development and the railway line to the rear of the application site.

1.5 An additional fourth floor would be created to house the upper floor bedrooms of units 4 and 5.

1.6 The external alterations include the infill of the undercroft to the front of the building; an extension at third floor level to the front of the building; the creation of a fourth floor which would be zinc clad and the creation of recessed balconies.

Revisions

1.7 Revised plans were received on 18/02/2016 to alter the proposed red brick to a light stock brick; the timber louvres and balustrade were amended to be a dark grey metal; the zinc cladding was reduced to the top floor only and the structure was stepped in by 300mm; the undercroft area was enclosed resulting in 38sq.m of floor space; a 1.8m high obscure glazed screening was introduced to the third floor terraces and windows on the side (northwest) elevation facing 110-114 were obscurely glazed. In addition, minor internal alterations were made and a cycle storage area was created for 9 cycles.

2.0 Land Use

Loss of employment space

2.1 Policy CS8 seeks to safeguard existing employment sites and premises in the borough that meet the needs of modern industry and other employers. Policy DP13 states that the Council will retain land and buildings that are suitable for continued business use and will resist a change to non-business use unless:

a) It can be demonstrated to the Council's satisfaction that a site or building is no longer suitable for its existing business use; and

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

2.2 The application site is located within the Kentish Town Centre which is an attractive location for

employment uses. There is high demand for affordable, flexible office space that is suitable for small and medium-sized enterprises (SMEs). The site has excellent transport links with Kentish Town (Northern Line Underground) and the First Capital Connect Thameslink that gives access to Luton Airport, the Eurostar at St Pancras, Gatwick Airport as well as Kentish Town West and Gospel Oak (overground) stations. The current office space is occupied and is considered to be suitable for continued business use. There are concerns regarding the loss of this space due to the impact on the current tenants and the future supply of B1 office space. No evidence has been submitted to justify that the site is no longer suitable for its existing business use.

2.3 The loss of employment statement refers to a fall-back position of two separate prior approval applications (2013/3603/P and 2015/1837/P). These applications were approved under Classes J and O of the General Permitted Development Order. The applicant has used these applications as justification for the change of use from offices to residential despite the use not being implemented.

2.4 The proposal would result in the loss of 496sq.m of office floor space is currently occupied and could be let out to other SMEs. Whilst housing is considered to be an important use in the Borough, the loss of office space is contrary to policies CS8 and DP13 and the provision of residential floor space would not outweigh the harm caused by the significant loss of employment space.

2.5 Paragraph 22 of the NPPF states that policies should avoid the long term protection of sites allocated for employment use only 'where there is no reasonable prospect of a site being used for that purpose'. In this case, a sustained marketing exercise has not been undertaken nor has it been demonstrated that a continued business use is not feasible. In the absence of evidence that justifies the loss of office space, the principle of the change of use is considered to be unacceptable.

Principle of residential accommodation

2.6 Given that the site is suitable for continued business use, residential accommodation is not considered to be acceptable in this location. Policy DP2 states that the Council will seek to maximise the supply of homes on sites that are underused or vacant. The site is neither underused nor vacant.

2.7 The application site lies immediately adjacent to a railway line running along the side and rear boundaries of the property. Policy DP28 makes it clear that the Council will not grant planning permission for development sensitive to noise in locations that have unacceptable levels of noise.

2.8 The proposed development involves the creation of a use that is sensitive to noise (i.e. residential) and it would be in very close proximity to an existing source of noise (i.e. the railway). In this instance, the Council requires an acoustic report to assess the noise implications for the development. An acoustic report has not been submitted.

2.9 Any application for new residential development in a location such as this would need to have regard to the Noise and Vibration Thresholds within policy DP28, to determine whether the application site would have noise and vibration levels that are acceptable for residential development. Based on the absence of an acoustic report, the principle of residential development cannot be established in this location and it is likely that such a use would lead to an unacceptable level of noise, vibration and disturbance for any prospective occupiers.

3.0 Quality of Proposed Residential Accommodation

Mix of units

3.1 The proposal includes 5 residential flats with 1 x 1 bed (lower priority); 2 x 2 bed (very high priority) and 2 x 3 bed (medium priority). This is in accordance with policy DP5 by providing 40% of the units as 2 bed.

Size of units

3.2 Table 1 of the Technical housing standards issued by the Department for Communities and Local Government (DCLG) on March 2015 requires minimum gross internal floor areas for new dwellings. The relevant part of table is included below:

Table 1 - Minimum gross internal floor areas and storage (m²)

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) ²			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	

3.3 The gross internal areas of the proposed dwellings has been tabulated below against the minimum requirements:

Table 2: Proposed gross internal areas of new units		
	Proposed	Required
Unit 1 (1 bed 2 person)	63.5sq.m	50sq.m
Unit 2 (2 bed 4 person)	92.8sq.m	70sq.m
Unit 3 (2 bed 4 person)	125.2sq.m	70sq.m
Unit 4 (3 bed 6 person, 2 storey)	183sq.m	102sq.m
Unit 5 (3 bed 6 person, 2 storey)	163.3sq.m	102sq.m

3.4 The proposed floor areas all exceed the requirements within the Technical housing standards.

Layout and quality of units

3.5 In addition to the significant noise and vibration impacts expected due to the site's close proximity to the railway line, there are a number of concerns due to the layout and location of the units that contribute to these concerns. The issues relating to each of the individual units are assessed below.

3.6 The 1 bedroom flat (flat 1) would be single aspect. Its only opening and the recessed balcony would face Grafton Road. While the recessed balcony provides some external amenity space for the flat, it also reduces the level of light and outlook to the main living room window.

3.7 Both of the bedrooms within flat 2 are located to the rear of the unit and would have a poor outlook. The larger bedroom with two single beds would have a tunnelled outlook as it would be flanked by the wall of its own building and the wall of the adjacent building at 110-114 Grafton Road. The smaller bedroom with a double bed would only have one window that would be obscurely glazed.

3.8 All of the windows serving flat 3 would either be obscurely glazed as they face 110-114 or be located adjacent to the railway only 1.58m away. The recessed balcony would face the railway meaning the external space would be of poor quality.

3.9 The proposed third floor level terrace and the side windows serving the dining and kitchen of flat 4 would be overlooked by a side window and terrace at 110-114 on the fourth floor. On the fourth floor of flat 4, the side windows would be obscurely glazed due to their relationship with 110-114.

3.10 Flat 5 would have a terrace on its third floor. A 1.8m high obscured panel would be located on its side elevation and the rear of the terrace would directly face the railway line only metres away. The

obscured panel would restrict the outlook from the side windows serving the kitchen and dining room. All the other windows on the third floor directly face the adjacent railway line. The bedroom windows (located on the fourth floor) on the side elevation would all need to be obscurely glazed to prevent mutual overlooking with 110-114. All of the other windows at fourth floor level directly face the railway.

3.11 The issues leading to a poor quality of living accommodation are brought about by the building's relationship with 110-114 Grafton Road and its close proximity to the railway line. The building at 110-114 has residential development on the second to fourth floors. The side elevation and terraces directly face the host building with a setback of only 6-6.5m. The proximity and relationship of these buildings therefore makes residential development difficult to accommodate as it would significantly impact on the living conditions of both properties. Windows should be located away from railway lines to minimise noise, pollution and vibration. Unfortunately, the proposal is seeking to introduce residential accommodation with a number of windows (both existing and proposed) and external terraces which directly face the railway line. The application fails to adequately demonstrate the residential flats would not experience an unacceptable level of internal noise and vibration.

4.0 Residential Amenity of Adjoining Occupiers

4.1 The adjacent building at 110-114 Grafton Road contains residential flats on the second, third and fourth floors. On the side elevation (southeast facing) of 110-114 are habitable windows serving a 2 bed flat on the second floor and a 2 bed flat on the third floor. The windows serve bedrooms and a kitchen/living room. They are located directly opposite the existing windows on the side elevation of the host building with a setback of only 6-6.5m. To the rear of 110-114 are rear balconies on the second and third floors which serve 1 bed units.

Overlooking/privacy

4.2 Paragraph 7.4 of CPG6 (Amenity) states that to ensure privacy, there should normally be a minimum distance of 18m between the windows of habitable rooms of different units that directly face each other. This minimum requirement will be the distance between the two closest points on each building (including balconies).

4.3 Further windows would be introduced on the second floor of the host building and the existing kitchen, corridor, storage and workroom that currently serve an office use (B1a) would be replaced with residential units. Three of the side windows directly facing the habitable windows and balcony on the second floor of 110-114 would serve bedrooms and the other two would serve bathrooms. While they would be obscurely glazed and fixed shut, which could be secured by a planning condition, there would be a material increase in perceived overlooking as the windows would serve a residential use. The proposed rooms would be more likely to be occupied at night-time, on weekends and Bank Holidays when residents within 110-114 would also be expected to be at home.

4.4 The proposal includes the extension of the third floor to the front of the building. Windows serving habitable rooms would be located on the side elevation of flats 4 and 5 that would directly face 110-114. In addition, two large roof terraces would be created including a 50sq.m terrace serving flat 4 and a 63sq.m terrace serving flat 5. The side windows and roof terrace serving flat 4 would face a roof terrace and side window serving a fourth floor flat at 110-114. Due to the proximity and location of the adjacent terraces and windows there would be mutual overlooking between the units. This would lead to a material increase in existing levels of overlooking to the adjacent flat at 110-114 and a significant loss of privacy. Furthermore, the proposed terrace is likely to cause a material level of noise and general disturbance associated with its use. It is noted that the affected side window and terrace at 110-114 is not currently overlooked and this introduction is unacceptable and unjustified. The proposed side windows and terrace at flat 5 would also be likely to result in a material level of overlooking, loss of privacy and disruptive level of noise and general disturbance to the adjacent second, third and fourth floor flats at 110-114 Grafton Road. It is recognised that a 1.8m high obscure panel is proposed to the side of the terrace, however, this would not prevent informal overlooking, noise spillage and the ability to look up into the adjacent small terrace and side windows serving the

fourth floor flat at 110-114.

4.5 Eight windows would be introduced on the fourth floor of the side elevation facing 110-114. These windows would all serve bedrooms of flats 4 and 5. Given that these windows would directly face habitable windows and roof terraces/balconies at 110-114 on the second, third and fourth floors, it is considered that this element of the proposal would also result in a material increase in overlooking and a significant loss of privacy to the occupiers of 110-114. The side windows of flat 4 would directly face a side window and balcony at 110-114 only 5.7m away. The side windows of flat 5 would directly face the side windows and balconies of flats on the second, third and fourth floor some 8.5-9m away.

Daylight/sunlight

4.6 The proposed development involves the enlargement of the third floor and a new fourth floor. Due to its location and proximity to the adjacent building at 110-114 Grafton Road, which has southeast facing windows and terraces/balconies directly opposite, it is considered that the proposal could result in a loss of outlook and daylight/sunlight for those occupiers. Paragraph 26.3 of policy DP26 and paragraphs 6.3 and 6.4 of CPG6 (Amenity) state that the Council will require a daylight and sunlight report to accompany planning applications for development that has the potential to reduce levels of daylight and sunlight on existing and future occupiers, near to and within the proposal site. In the absence of a daylight/sunlight assessment, or any accompanying justification whatsoever, the applicant has failed to demonstrate that the proposed extensions would not have an adverse effect on the occupiers of the adjoining building.

4.7 Policy DP25 states that the Council will protect the quality of life of neighbours by only granting permission that does not harm amenity including visual privacy and overlooking, overshadowing and outlook as well as daylight/sunlight. Due to the conversion of the upper floors into residential use and the additional floor, it is considered that the proposed development would significantly harm the amenity of the adjacent occupiers at 110-114 Grafton Road which have habitable windows serving rooms and terraces/balconies within close proximity to the development.

5.0 Design, Character and Appearance

5.1 The host structure is a 3 storey industrial building dating from the early 1960s and is not located in a conservation area. The adjacent building at 110-114 Grafton Road was granted planning permission for similar extensions, including to the third floor and an additional fourth floor, under 2007/1649/P. To the northwest of 110-114 lies 116-124 Grafton Road which is a 4 storey building with the top floor set back. The application property forms the end of a terrace of buildings on this side of Grafton Road. To its southeast lies the railway line.

5.2 The proposed extensions would create a building that would be read from the street as being 4 storeys plus an additional setback storey to match the adjacent building at 110-114. It is considered that the third floor extension and fourth floor addition would be of an appropriate scale and height that would be proportionate to the building and in keeping with the immediate and surrounding development.

5.3 The front elevation would include a light stock brick to be in keeping with the tone of the existing building and to provide an effective counterpoint to the black structure adjacent at 110-114. In addition, black cladding and a black metal finish to the louvres and balustrade would be used to reflect the industrial character of the area and draw from the palette of the surrounding buildings.

5.4 A darker blue/black engineering brick would be used to the rear of the building given it would face the railway line and industrial uses.

5.5 The upper floor (additional fourth floor) would be zinc clad and setback from the parapets of the building to remain subservient.

5.6 The infill to the front of the building was at the request of Officers to improve the appearance of the building (resulting in a more solid façade and street presence) and removing the undercroft element.

5.7 Overall, the proposed extensions are considered to be appropriate in terms of their scale, massing and the materials used. The development would result in a modern appearance to the building that would reflect its surroundings.

6.0 Transport, Cycle Parking and Storage/Servicing

6.1 The application site falls within a controlled parking zone (CPZ), has a public transport accessibility level (PTAL) of 4 and is located within the Kentish Town Centre. Policy DP18 states that such developments are expected to be car free which would apply to all five of the proposed self-contained residential units. In the absence of an acceptable scheme (and hence no section 106 agreement) this becomes a reason for refusal.

6.2 The proposal would need to provide 9 covered, fully enclosed, secure and step-free cycle parking spaces to comply with the minimum requirements of Camden and London Plan cycle parking standards. A cycle store is indicated on the proposed site plan. It is considered that further details could be reserved for planning condition if the proposal were deemed to be acceptable.

6.3 Highways Officers have suggested that highway licenses may be required to facilitate the proposed works if they were deemed acceptable. They do not consider that a Construction Management Plan or Highways Contribution would need to be secured by a section 106 legal agreement.

6.4 Details of waste and recycling management have not been submitted as part of the proposal, however, it is considered that these could be required by an appropriately worded planning condition if the proposal were deemed acceptable.

7.0 Sustainability

Policies CS13, DP22 and DP23 require development to incorporate sustainable design and construction measures. As the proposal includes 5 new build residential flats a sustainability statement is required providing details of sustainable design and construction measures on how the development would reduce the energy, water and materials used in design and construction. In addition, an energy statement demonstrating how carbon dioxide emissions would be reduced is required. These documents have not been submitted as part of the planning application, however, they could be required by condition if the development was acceptable. The new units would need to demonstrate that the development is capable of achieving a maximum internal water use of 105 litres per person/day with an additional 5 litres person/day for external water use. Carbon dioxide emission would need to be reduced below part L Building Regulations 2013 which is 20%.

8.0 Community Infrastructure Levy

8.1 The London Borough of Camden introduced the Community Infrastructure Levy (CIL) on the 1st of April 2015 to help pay for local infrastructure. This is in addition to the Mayoral CIL which helps fund the Crossrail introduced on 1st April 2012. Any permission granted after this time which adds more than 100m² of new floorspace or a new dwelling will need to pay the CIL charge.

8.2 The proposal would be CIL liable for Mayoral and Camden charges if it were considered to be acceptable. The CIL would be calculated based on the total gross internal floor space. For the additional residential floor space the applicant would be required to pay £550 per square metre (combined Camden and Mayoral CIL) and £75 per square metre for any office space.

Recommendation: Refuse planning permission.

Appendix 3 – Decision Notice for 2015/5450/P

Pegasus Group
Pegasus House Querns Business
Centre Whitworth Road Cirencester
Gloucestershire
GL7 1RT
United Kingdom

Application Ref: **2015/5450/P**
Please ask for: **Jonathan McClue**
Telephone: 020 7974 4908

24 March 2016

Dear Sir/Madam

DECISION

Town and Country Planning Act 1990 (as amended)

Full Planning Permission Refused

Address:
104 Star House
Grafton Road
London NW5 4BA

Proposal:

Change of use from office (B1a) to mixed use office (B1a) on the ground and first floors and 5x self-contained residential flats (C3) on floors 2-4 (1x one bed; 2x two bed; 2x three bed units), extension to enlarge the third floor and create an additional fourth floor, alterations to building fenestration including ground floor front infill and associated works.

Drawing Nos: (M.0315_)01-1; 01-2; 01-3; 02-1; 03C-1; 03C-2; 03C-3; 04C-1; 05A-1; 06A-1; 06C-1; 07C-1; 08-1, Loss of Employment Statement (ref: LHU/CIR.M.0315) and cover letters dated 25/09/2015 and 18/02/2016 (ref: LHU/CIR.M.0315).

The Council has considered your application and decided to **refuse** planning permission for the following reason(s):

Reason(s) for Refusal

- 1 The proposed development, in the absence of a justification demonstrating that the premises is no longer suitable for continued business use would fail to support economic activity in Camden and result in the loss of employment opportunities within the Borough contrary to Policy CS8 (Promoting a successful and inclusive economy) of the London Borough of Camden Local Development Framework Core



Strategy and DP13 (Employment sites and premises) of the London Borough of Camden LDF Development Policies, Policies 2.15 and 4.2 of the London Plan 2015 and paragraphs 14, 17 and 18-23 of the National Planning Policy Framework 2012.

- 2 The application fails to adequately demonstrate the residential flats would not experience an unacceptable level of internal noise and vibration contrary to policies CS5 (Managing the impact of growth and development), CS6 (Providing quality homes), DP26 (Managing the impact of development on occupiers and neighbours) and DP28 (Noise & vibration) of Camden's Local Development Framework.
- 3 The proposed development, by reason of its bulk, height and north facing windows, would result in loss of privacy, increased overlooking and loss of daylight/sunlight, harming the amenity of the occupiers at 110-114 Grafton Road contrary to policy CS5 (Managing the impact of growth and development) of the London Borough of Camden Local Development Framework Core Strategy and to policy DP26 (Managing the impact of development on occupiers and neighbours) of the London Borough of Camden Local Development Framework Development Policies.
- 4 The proposed development, in the absence of a legal agreement to secure car-free housing for the residential units would be likely to contribute unacceptably to parking stress and congestion in the surrounding area, contrary to policies CS11 (Promoting sustainable and efficient travel) and CS19 (Delivering and monitoring the Core Strategy) of the London Borough of Camden Local Development Framework Core Strategy and policy DP18 (Parking standards and the availability of car parking) of the London Borough of Camden Local Development Framework Development Policies.

Informative(s):

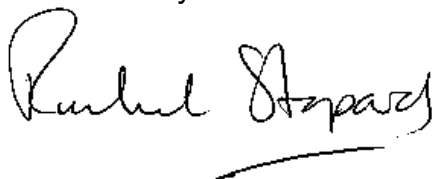
- 1 You are advised that reason for refusal 4 could be overcome by entering into a s106 agreement.

In dealing with the application, the Council has sought to work with the applicant in a positive and proactive way in accordance with paragraphs 186 and 187 of the National Planning Policy Framework.

You can find advice about your rights of appeal at:

<http://www.planningportal.gov.uk/planning/appeals/guidance/guidancecontent>

Yours faithfully



Rachel Stopard
Director of Culture & Environment

**Appendix 4 – ‘Office to Residential Permitted Development Rights
Impact Study’ prepared by TBR’s Economic Research Team dated
22/07/2014**

Office to Residential Permitted Development Rights Impact Study

For the London Borough of Camden



tbr knows... economics, creative, skills, environment



Office to Residential Permitted Development Rights Impact Study

For the London Borough of Camden

Prepared by TBR's Economic Research Team

Enquiries about this report can be addressed to:

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22 July 2014

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Document Information

Document Information

Project Reference Number	
File Name	Camden_B1a_to_C3_Impact_Study_Report_v4_MGH.docx
Title	Office to Residential Permitted Development Rights Impact Study for Camden
Version number	Final
Last update	
Name of Author	Mark Edward and Gary Wilkin
Name of Reviewer	Martin Houghton
Document Status	Confidential
Review Status	Complete
Approval Status	Final

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Executive Summary

1. Executive Summary

In May 2013, the government amended the permitted development rights to allow change of use of B1a premises to C3 residential without the need for formal planning permission. While this was done with the intention of creating more residential property in areas where commercial offices were lying empty, the practice has proven to have unintended consequences. Developers, in some areas, have seen the potential gains from conversion to residential as so attractive as to pay tenants to move out and seek alternative premises. Thus there have been negative as well as positive impacts.

At the time that the permitted development rights were brought into force, the Central Activities Zone (CAZ) was made exempt. While a significant proportion of Camden's commercial premises is located within the CAZ, much exists elsewhere. It is this latter area, i.e. Camden outside the CAZ that is the focus for this study. This is referred to within the report as 'the area'.

In early 2014, Camden Council was sufficiently concerned about the consequences of the changes in terms of the loss of small business space, jobs, affordable housing and the amenity of surrounding communities to engage TBR and Frost Meadowcroft to undertake a study into the potential impacts in the area. The aim was to provide sufficient and robust evidence to support the imposition of an Article 4 directive in those areas most affected.

This document sets out to present the evidence based on a mix of desk based quantitative research along with a review of the local property market.

The report is structured in five main sections. The first introduces the work and provides some information on the research methods. The next section presents high level data on the number of firms occupying B1a premises in the area along with associated employment and output. Section 3 considers the key sectors within the borough and their presence within the area. This is followed by a property perspective, which while being more anecdotal in style, provides clear examples of the pressures on landlords to transfer to the residential market. Section 5 extends the analysis to consider the indirect and induced impacts. The final section draws the material together in the form of a set of conclusions.

The quantitative analysis was undertaken using a mix of national statistics and TBR's own TCR database of businesses. The latter was of particular use in disaggregating data between the study area and the CAZ.

The analysis estimates that B1a premises in the area are home to:

- An estimated 5,000 firms (from a total of 48,300 across the whole borough)
- An estimated 17,500 employees (from a total of 339,400).
- An estimated £5.8 billion turnover (from a total of £19.7billion).
- An estimated £1.4 billion in output (GVA) per year (from a total of £7.9 billion)¹.

¹ The analysis linking land use class to business activity is reasonably accurate to the level of B1a. However, further estimation was required when focusing in on B1aa premises.

Executive Summary

The B1a land use class is the most prevalent within the area accounting for:

- 17% of firm numbers
- 10% of employment
- 17% of output

As may be intimated from the above, businesses in the area tend to be smaller than the average for Camden as a whole. Over half of all firms have fewer than 20 employees.

Thus, should property owners seek to enforce their right of change of use over 5,000 firms and associated jobs and output could be lost from this part of Camden.

Camden has established itself as a leading location for the creative industries in London. In fact over 10% of London's jobs in the creative industries are in Camden, of which one third of these are in the area. While the presence of only 3.4% of the capital's jobs may appear relatively small, cluster effects are of particular importance to these industries. Thus any loss of firms from the area due to displacement is likely to have adverse impacts on the sector as a whole.

The analysis provides further detail and identifies publishing, advertising, public relations, architectural services and photographic activities as having a major presence in the borough². Of these advertising, publishing and architectural activities are the most important to the area:

Table 1: Impact on Creative sectors in the Area

Sector	Firms	Employment	Output (£ks)	TO (£ks)	Floorspace ft ²
Advertising	318	1,642	£120,199	£605,429	164,156
Publishing	318	1,564	£134,173	£301,082	156,396
Architectural activities	394	2,257	£86,343	£141,491	225,727
Total	1,030	5,463	£340,715	£1,048,002	546,278

Source: TBR W2/S1

These businesses are reasonably spread out across the area, with concentrations in Camden Town, Kentish Town, Belsize and Hampstead.

A property perspective is presented in section 5. This notes that the study area is closely linked to the broader inner London market and subject to the same forces. One characteristic is the availability and attractiveness of smaller offices occupying properties such as former light industrial, stables, garages, coach houses in and around the existing housing stock. This makes the area sought after, especially where work and residence can be located close to one another.

The area is not seen as a homogenous whole, but is made up of distinctive locations including Euston, Mornington Crescent, Camden Town, Primrose Hill and Kentish Town. Research from the Estates Gazette notes that demand for offices in the West End is high

² Jewellery is excluded as it is highly concentrated within Hatton Garden, which is in the CAZ, so not subject to the changes to the permitted development rights change.

Executive Summary

while stocks are low. Camden itself is seen to have very low vacancy rates (2.7%), nearly half that of the West End (5.1%).

From April 2004 to the end of October 2013 (i.e. before the change to the permitted development right), over 600,000 ft² of office space was lost, though this was in a managed manner. However, any further loss, especially where it is not accompanied by any strategic gains, could seriously undermine the long term attractiveness of the area as a location for business.

Since the change to development rights, a further 257,000 ft² of B1aa office space has been lost in less than 12 months. Using an industry standard multiplier of one person to every 100 ft² this equates to some 2,570 jobs or over 12% of the total within the study area.

A typology of office buildings is introduced that helps highlight those most likely to be at greatest risk of change of use, e.g. converted office buildings and serviced offices.

With Camden private residential property values being some of the highest in the UK, the financial incentives to convert B1aa premises located within the area are compelling. Office premises are likely to see an uplift of over 100% where conversion to residential is allowed.

Current office values range from £350 to £750 per ft² with an average sale price, according to Costar, of £400 ft². Taking into account the usual development costs associated with residential developments (an average of £185 ft²) we have calculated that the break even for the average office price of £400 per ft² would be £585 per ft² (£400 + £185). This compares to residential values of between £750 and £1,800 per ft². Thus there is little, or no, existing office stock that would be unviable for conversion to residential based upon cost or other practical restrictions.

Frost Meadowcroft developed the analysis further via a number of case studies. These are set out in Table 2, below.

Table 2: Summary of example case study residual valuations

Property	Existing Value (£)	Residual Value for Residential Conversion (£)	Office value (£/ft ²)	Residential value (£/ft ²)	Value Uplift multiplier
5-6 Park End, NW3	£380,000	£1,340,000	£425	£1500	3.5
Marlborough House, 179-189 Finchley Road, NW3	£1,000,000	£4,650,000	£247	£1,148	4.65
Utopia Village, 7 Chalcot Road, NW1	£22,700,000	£71,350,000	£425	£1,336	3.14
45 Holmes Road, NW5	£380,000	£530,000	£353	£493	1.39
17 & 27 Ferdinand Street, NW1	£3,335,000	£5,270,000	£495	£783	1.57
1-8 Stucley Place, NW1	£7,240,000	£11,060,000	£495	£757	1.52

Source: Frost Meadowcroft

Executive Summary

The macro economic analysis is continued in section 6, which assess the overall economic impact. The study recognises it is limiting to look simply at the direct impact of the proposed change. Thus estimates are made of indirect, induced and leakage effects.

Indirect activities represent those undertaken within the supply chain, whereas induced effects relate to the spending of staff. Leakage seeks to establish the extent to which impacts are retained locally or dispersed into the wider economy. The analysis indicates that the potential loss of 17,500 direct jobs would result in a further reduction in employment of 15,600. Of these: 4,000 would be in Camden; 5,200 across London and 6,400 in the UK outside London. Similar effects would be felt in output³.

Within the creative industries, nearly 5,000 indirect and induced jobs would be lost over and above the 5,400 from the direct activities.

The analysis demonstrates that allowing the unfettered change of use across the borough could have serious negative impacts on the creative industries as a whole, and the advertising, publishing and architectural sectors in particular. These sectors are not just important to the area, Camden as a whole but form a vital part of the London offer and its ability to compete in global markets.

The final section draws together the analysis to demonstrate that the change to permitted development rights clearly poses a substantial risk to the Camden economy in the short to medium term, with potentially significant impacts on the economy beyond Camden. While the impact on the creative industries will be most severe, it will also affect other sectors populated by small firms.

The commercial case for converting B1a offices to residential in the area is so strong that it will be difficult for many landlords to resist. Moreover, this will not just affect premises that are vacant, as vacancy rates are very low. Rather, it is expected that leases will not be renewed, or firms will be served notice and have to find alternative premises elsewhere.

Geographically (as per figure 10 and 11), while we see some concentrations in centres such as Camden Town, Primrose Hill and Kentish Town, businesses are widely spread and co-located with residential property.

It is clear that the extension of permitted development rights will reduce the stock of B1a premises available to businesses across the area not covered by the CAZ. The natural consequence to any reduction in supply will be an increase in rents, especially as demand for business premises in the area is so great. We would expect this to result in a fall in firm numbers; employment and output as firms re-locate out of the borough or even close.

At this stage, we believe that an Article 4 exemption be sought across the whole of the area based on the dispersed location of firms, the juxtaposition of offices and residential property, and the importance of Camden's creative businesses to both London and the nation.

³ It is not possible to apply leakage factors within the borough, so the indirect and induced impacts are quoted for the borough as a whole.

Executive Summary

Introduction

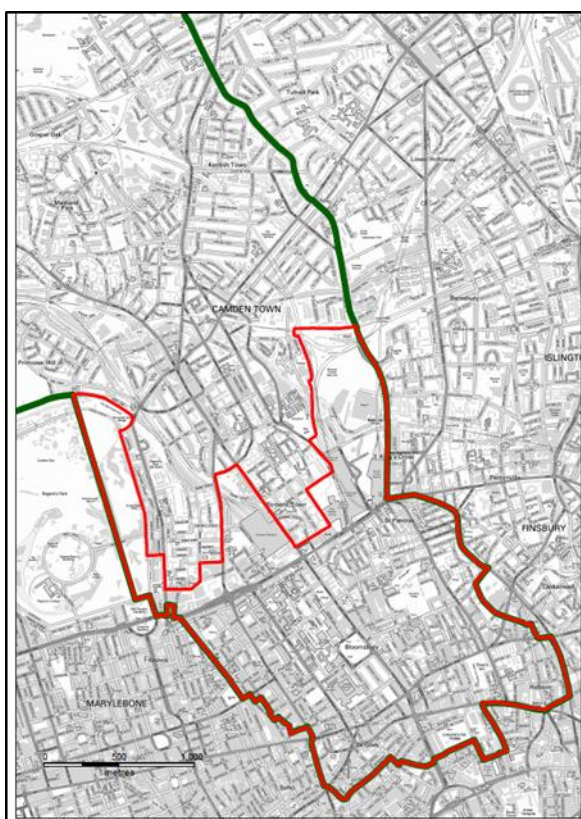
2. Introduction

2.1 The Challenge

The Government has amended permitted development rights to allow conversion of office buildings with a business use class of B1a to residential use C3 without the need for formal planning permission. The new right came into force on 30th May 2013, and is in place for a period of three years at which time it will be reviewed. Local authorities are able to override these permitted development rights through the application of an Article 4 Directive. However, evidence needs to be in place to demonstrate the adverse economic consequences of allowing unfettered change of use.

Since the Government introduced changes to planning legislation in 2013 to allow property owners to change the use of a building from office to residential (without a formal grant of planning permission) there has been increasing concern about the impact of these changes on Camden's communities – both in terms of the loss of small business space, jobs, affordable housing and the impact of new residential units on the amenity of surrounding communities. In short there is concern that this restricts the ability of the Council to plan properly for its area.

Figure 1: Location of the CAZ area⁴



space, jobs, affordable housing and the impact of new residential units on the amenity of surrounding communities. In short there is concern that this restricts the ability of the Council to plan properly for its area.

It should be noted that at the time the changes were introduced an area in the south of the borough known as the Central Activities Zone (CAZ) was made exempt on the basis of its focus on commercial and related activities.

TBR, with Frost Meadowcroft, has been commissioned by the London Borough of Camden to prepare a study into the potential impact of B1a premises being converted to residential properties. The study focuses on B1a premises lying outside the CAZ, which at present, do not benefit from the exemption and where the permitted development rights are in force.

⁴ The CAZ is the area within the red boundary

Introduction

2.2 The report

The report is structured into five main sections.

The first introduces the report and sets out the basic methodology employed.

Section 2 provides quantitative details of the importance of businesses located in B1aa premises outside the CAZ. The following section investigates the key business sectors which occupy office space and their relative position in relation to London's overall sectoral performance.

Section 4 offers a qualitative perspective of the business premises offer across the borough together with an assessment of the economic arguments for change in use. Section 5 returns to the quantitative analysis and sets out the potential impact that an unfettered ability to convert office premises into residential dwellings may have on the economy of Camden.

Finally, section 6 draws the findings together in a set of conclusions.

2.3 The method

The study is based on three sets of quantitative economic analysis and a qualitative review of the property landscape across the borough focusing on the area outside the CAZ.

First, we sought to identify and quantify businesses occupying B1a premises within Camden, and outside the CAZ in particular. From this we estimated the economic contribution of those businesses most likely to be at risk from the conversion of their business premises to residential dwellings. TBR's own proprietary database of businesses was used to disaggregate borough wide data to establish data for firms located outside the CAZ.

Second, to identify the significant sectors in Camden's B1a economy we calculated location quotients (LQs) for a range of economic activities⁵. The LQs were based on firm numbers and employment and carried out at a five digit level using the 2007 UK Standard Industrial Classification codes (UKSIC07)⁶. Where relevant, individual codes were then grouped together to form recognisable sectors such as advertising and publishing.

Third we draw together the quantitative analysis with the qualitative review of the property sector to provide an overall view of the impact of uncontrolled change of use within the area outside of the CAZ. This is presented as three views:

- The current size and economic contribution of businesses occupying B1a premises.
- The impact on the property assets of Camden as a place to do business. This includes an assessment of the potential loss of business premises.
- The indirect and induced impact of these B1a businesses to Camden's economy. The inclusion of the analysis of indirect and induced enables a quantitative of the

⁵ Location quotients set out the relative concentrations of business activities in comparison to a reference geography such as London and England. These are useful in establishing the strength of local sectors and the potential for business clusters.

⁶ These are the most detailed current version of the codes.

Introduction

value of economics of agglomeration from these businesses being located in Camden. In other words, the economic benefits these businesses indirectly contribute to Camden's economy.

2.4 Terminology

To make the report easier to read we have adopted the following conventions:

- The 'area' represents that part of Camden that is outside the CAZ, i.e. the focus of the report.
- 'Camden as a whole' refers to the borough in its totality, so includes both the 'area' and the CAZ.

Businesses Based in B1a Premises

3. Businesses Based in B1a Premises

TBR has developed an analysis of the scale of B1a business premises in the area which are at risk from the proposed change in permitted development rights. Our analysis suggests that the scale of the challenge is significant:

- An estimated 5,000 firms (from a total of 48,300 across the whole borough)
- An estimated 17,500 employees (from a total of 339,400).
- An estimated £5.8 billion turnover (from a total of £19.7billion).
- An estimated £1.4 billion Gross Value Added (GVA) per year (from a total of £7.9 billion).

A brief overview of all the businesses clearly shows the importance of the B1a sector to the economy of the area. We see from Table 3~~Error! Reference source not found.~~, that there are over 5,000 firms occupying B1a premises, that they account for 17,500 jobs and generate an economic output of £1.4billion, which is 17.3% of the total for the area⁷.

Table 3: Land use Classification of premises in the Area

Classification	Firms	Employment	Output (£ks)
A1: Shops	3,163	18,595	£954,279
A2: Financial & Professional Services	4,638	21,796	£1,711,403
A3: Restaurants & Cafes	1,035	8,985	£150,526
A4: Drinking Establishments	454	2,532	£50,176
B1a: Business	5,027	17,570	£1,370,212
B2: General Industrial	2,272	8,886	£743,615
B8: Storage & Distribution	903	5,576	£374,988
C1: Hotels	376	7,919	£290,294
C2: Residential Institutions	216	12,284	£35,062
C3: Dwelling Houses	620	1,728	£311,048
D1: Non-Residential Institutions	3,586	33,111	£387,146
D2: Assembly & Leisure	1,292	4,855	£104,831
Sui Generis	4,964	35,239	£1,421,698
Not known	355	1,357	£2,649
Grand Total	28,901	180,431	£7,907,927

Source: TBR W2/S1

The B1a classification is also the largest use class; representing 17.4% of all firms in area, 9.7% of employment as well as 17.3% of total economic output (see Table 4).

⁷ We did exclude some 'B1' businesses that were located in the area from our analysis. We mainly removed businesses with a large workforce as these larger premises were seen to be less at risk from being converted to residential.

Businesses Based in B1a Premises

Table 4: Land use Classification of premises in the Area (%)

Classification	Firms	Employment	Output (£ks)
A1: Shops	10.9%	10.3%	12.1%
A2: Financial & Professional Services	16.0%	12.1%	21.6%
A3: Restaurants & Cafes	3.6%	5.0%	1.9%
A4: Drinking Establishments	1.6%	1.4%	0.6%
B1a: Business	17.4%	9.7%	17.3%
B2: General Industrial	7.9%	4.9%	9.4%
B8: Storage & Distribution	3.1%	3.1%	4.7%
C1: Hotels	1.3%	4.4%	3.7%
C2: Residential Institutions	0.7%	6.8%	0.4%
C3: Dwelling Houses	2.1%	1.0%	3.9%
D1: Non-Residential Institutions	12.4%	18.4%	4.9%
D2: Assembly & Leisure	4.5%	2.7%	1.3%
Sui Generis	17.2%	19.5%	18.0%
Not known	1.2%	0.8%	0.0%
Grand Total	100.0%	100.0%	100.0%

Source: TBR W2/S1

In terms of size, firms in B1a premises in the area are predominantly small, with the greatest concentration of firms (88.5%) having fewer than 5 employees (4,448 firms) compared with only 264 firms (5.3%) for the next biggest size band (size band: 5 to 9). When comparing employment and size band, only 35.2% of people employed in B1a businesses in Camden are employed in firms with fewer than 5 employees. As there are very few firms employing more than 100 people (23 firms) outside the CAZ, this suggests that the larger firms tend to be located within the CAZ. These factors indicate the concern that firms within the area, i.e. outside the CAZ, are in greatest danger of being displaced as their premises are taken out of employment use and converted to residential dwellings. It was concluded that smaller firms were at greatest risk from having their offices converted to residential. Two key factors were considered. First, small firms were more likely to occupy premises that were conducive to conversion. Second, in terms of negotiating power, larger businesses were seen as being better able to secure arrangements in their favour than smaller firms, which would find inducements to quit as relatively attractive.

Table 5: B1a Businesses in the Area by Size band

Sizeband	Firms	Employment	Output (£ks)	TO (£ks)	Floorspace ft ²
<5	4,448	6,179	£510,011	£984,355	617,886
C: 5 to 9	264	1,776	£137,101	£287,091	177,600
D: 10 to 19	145	1,915	£154,093	£312,505	191,500

Businesses Based in B1a Premises

E: 20 to 49	118	3,665	£267,172	£554,984	366,500
F: 50 to 99	41	2,595	£186,495	£663,822	259,500
G: 100 to 199	11	1,440	£115,340	£185,060	144,000
Grand Total	5,027	17,570	£1,370,212	£2,987,817	1,756,986

Source: TBR W2/S1

Table 6: Percentage of B1a Businesses in the Area (outside CAZ) by Size band

Sizeband	Firms	Employment	Output	TO	Floorspace ft ²
<5	88.5%	35.2%	37.2%	32.9%	35.2%
C: 5 to 9	5.3%	10.1%	10.0%	9.6%	10.1%
D: 10 to 19	2.9%	10.9%	11.2%	10.5%	10.9%
E: 20 to 49	2.3%	20.9%	19.5%	18.6%	20.9%
F: 50 to 99	0.8%	14.8%	13.6%	22.2%	14.8%
G: 100 to 199	0.2%	8.2%	8.4%	6.2%	8.2%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

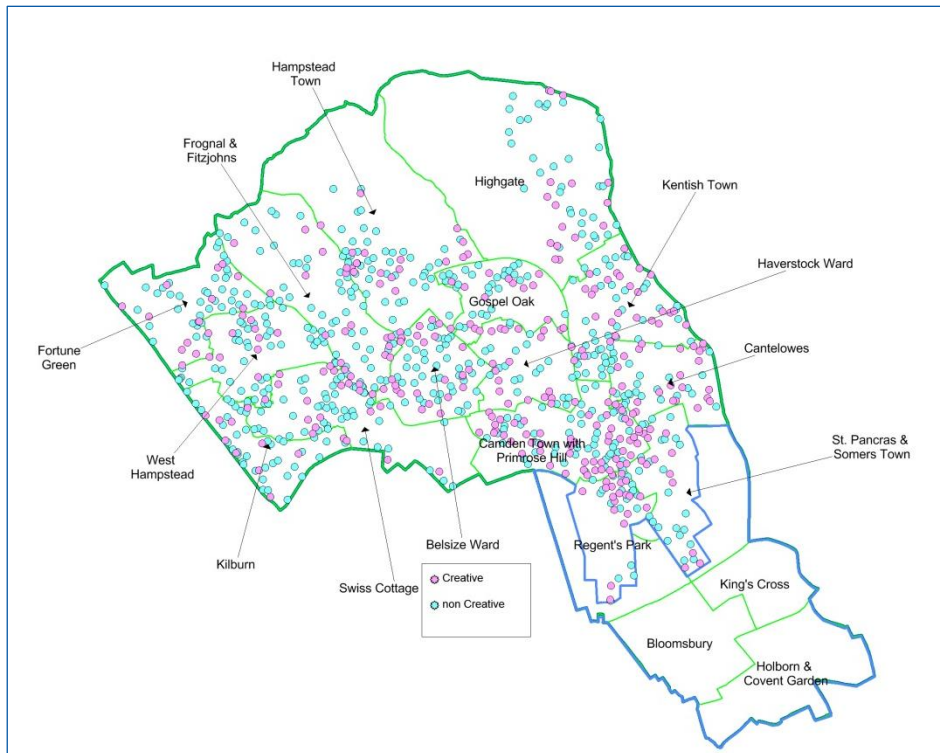
Source: TBR W2/S1

Overall, the direct impact on B1a businesses in the Area could be significant. The high concentrations of small businesses located in the area certainly present themselves as ideal opportunities to convert them into residential spaces, especially with the high value and demand for residential properties in Camden. The impact of converting these B1a premises into residential would not only directly affect the area's business ecology, but also have other knock-on impacts as shown in the following section.

As can be seen from Figure 2, below businesses are spread widely across the area outside the CAZ.

Businesses Based in B1a Premises

Figure 2: All business located in B1 premises in the Area



Significant Sectors

4. Significant Sectors

This section provides an analysis of those sectors which are significant to Camden as a whole and the area in particular. The analysis focuses on those sectors which have a national as well as regional economic significance. Our analysis has confirmed that a number of sectors have a significant presence in the area, including publishing, advertising and architecture. However, using TCR, we were able to establish that not all of Camden's significant sectors have a strong presence in the area (e.g. legal sector and jewellery).

The analysis contained in this section is based on sector definitions derived from the 2007 UKSIC codes. To determine if a sector can be classed as 'significant', we calculated location quotients using firm numbers and employment. If a sector scored 1.25 or more, it was deemed to be significant at either a regional (i.e. London) or national (i.e. England) level. To establish if the significant sectors were primarily located inside or outside the CAZ we used TBR's business database TCR.⁸ Such an approach is necessarily narrow, focusing on the core business activities within each sector. The approach does not illustrate the inter-connections between firms in each sector, their supply chains and dissemination channels, which can span different sectors.

To extend the analysis of the significant sectors in Camden, we have also examined what types of occupations are at risk from the conversions of B1a offices to residential premises.⁹

4.1 Creative Sector in Camden

Camden is acknowledged to be home to a strong and important cluster of the creative industries. This is clear from Table 7, below, which indicates that only Westminster has a larger population of creative employment in the capital. Furthermore, a significant proportion (3.4% of all creative jobs in London) are based in the area.

Table 7: Creative Employment in London¹⁰

Creative Sector	Employees	Percentage of London's total
Camden	25,560	10.6%
Area (Camden outside CAZ)	8,179	3.4%

⁸ We used BRES and UK Businesses Counts from NOMIS for the significance analysis. We can then determine the geographical locations and concentrations of these sectors within Camden from using TCR. The advantage of TCR being that we were able to define smaller geographical units below local authority level.

⁹ This was achieved by doing a SIC/SOC analysis on the Annual Population Survey APS). We were able to identify those occupations commonly held in specific industry. However, because of the sample size of the APS we have to use London or the UK as the geographical unit. This meant some of the analysis of occupations at risk is at a more general level, rather than being Camden specific.

¹⁰ SICs included in this table are: (58110) : Book publishing, (58120) : Publishing of directories and mailing lists, (58130) : Publishing of newspapers, (58141) : Publishing of learned journals: 58142 : Publishing of consumer, business and professional journals and periodicals, (58190) : Other publishing activities, (70210) : Public relations and communication activities, (73110) : Advertising agencies, (73120) : Media representation, (71111) : Architectural activities, (74202) : Other specialist photography (not including portrait photography), (74203) : Film processing, (74209) : Other photographic activities (not including portrait and other specialist photography and film processing) nec, (62011) : Ready-made interactive leisure and entertainment software development.

Significant Sectors

City of London	8,012	3.3%
Hammersmith and Fulham	7,028	2.9%
Islington	12,910	5.4%
Kensington and Chelsea	7,279	3.0%
Southwark	10,670	4.4%
Westminster	31,393	13.1%
Rest of London	138,894	57.7%
Total	241,746	100%

Source: BRES 2012 (TBR ref: W1/S1)

The concentration and significance of Camden's creative sector is reinforced by previous research commissioned by Camden Council which puts estimated gross turnover of Camden's creative and cultural businesses (CCIs) between £955 million and £1,166 million. This represents, approximately, 15% of the gross turnover generated by Inner London's CCIs or 10% of Greater London's CCIs¹¹. What is also evident from previous research into clusters is that geographical proximity is central to their well-being and development. Thus any forced relocation of firms is likely to be detrimental to the cluster as a whole, including those firms based in the CAZ. For this reason, the numbers for the area should not be viewed in isolation, but as part of the Central London cluster that incorporates Camden as a whole and Westminster. Thus Camden, and the area outside the CAZ, represents a vital element of London's and the UK's Creative Sector. **Error! Not a valid bookmark self-reference.** Details of the occupations likely to be affected are presented below. Figure 3, below, illustrates a breakdown of the top 50% of the Creative Sector employment in London by occupation classification¹². A notable and anticipated feature of these data are that the occupations at risk from the conversion are mainly skilled professional occupations. These are activities that require specific and specialist training and will often be higher paid jobs. They are often the type of occupations that will attract skill persons to London and Camden from the elsewhere in the UK or around the world. A reduction in suitable office space risks losing highly skilled employees from the creative workforce currently located in Camden.

Figure 3: Occupations associated with Creative SICs¹³

¹¹ Dpa URS and Camden Council. "Creative and Cultural Industries in Camden. A Research Report and Action Plan commissioned by LB Camden" 2010.

¹² Data for the whole of London are used as the underlying survey data are unreliable at a smaller geographic level.

¹³ The same creative SICs were used as previously mentioned. However, the SICs were at a three digit level.

Significant Sectors



Source: APS 2013(TBR ref: W3/C1)

4.2 Publishing

4.2.1 Publishing sector and Camden

The emergence and continued development of the technology, media and communications (TMT) sector, is revolutionising the publishing sector. A noticeable feature of recent years has been a general decline in print sales both nationally and internationally, falling as much as £98m in the UK in 2013¹⁴. Such activities are heavily represented in the B1a classification.

The UK book publishing sector is defined by large international publishers such as Penguin Books and HarperCollins, as well as smaller, independent firms, with the top four book publishing companies (Hachette UK, Pearson, Reed Elsevier and the Random House Group) accounting for an estimated 34.1% of the industry in 2013/14¹⁵. However by number, the majority of publishers in the UK are small entities with 86.5% of businesses employing fewer than 10 staff¹⁶. The publishing industry also witnessed an increase of 66% in digital sales¹⁷ over this time.

¹⁴ BBC News. "Printed book sales fall £98m in 2013". January 2014.

¹⁵ IBIS World. "Book Publishing in the UK: Market Research Report". March 2014.

¹⁶ IBIS World. "Book Publishing in the UK: Market Research Report". March 2014.

¹⁷ Publishers Association. "The UK Book Publishing Industry in Statistics 2012". 2013.

Significant Sectors

Overall, Camden is home to 11% of all publishing businesses in London (280 of 2,540).¹⁸ We estimate from our analysis that 112 of these publishing businesses are located in the area.

Furthermore, our analysis found that the publishing sector employment is strong in Camden. As of 2013, there were 7,650 people employed in publishing across the borough of Camden, of which, nearly 2,000 were employed in the area.

Table 8 illustrates the high concentration of publishing employment within Camden, generating 9% of all publishing jobs in London.

The evidence suggest that publishing within Camden demonstrates typical cluster attributes with the collocation on global businesses and small niche players. The loss of a number of these small firms could have significant impacts, not just locally, but more widely as relationships are disrupted. Although the change of use of B1a premises would most likely affect smaller companies disproportionately, the impact would still be felt as it is often smaller firms who nurture the dynamic and creative talent to the industry, who then go on to develop their careers with the larger firms. While the direct impact of smaller firms relocating may not be significant, the indirect impacts and how this would develop over time could be substantial.

Table 8: Publishing Employment in London¹⁹

Publishing	Employees	Percentage
Camden	7,641	9%
Area (Camden outside CAZ)	1,987	2.2%
City of London	3,874	4%
Hammersmith and Fulham	2,550	3%
Islington	4,900	5%
Kensington and Chelsea	4,770	5%
Southwark	5,610	6%
Westminster	9,300	10%
Rest of London	50,661	57%
Total	89,306	100%

Source: BRES 2012 (TBR ref: W1/S3)

While employment in publishing is strong in the area, the major impact will arise from the large number of firms. The area is home to 26% of Camden's publishing jobs, but 40%

¹⁸ UK Business Counts

¹⁹ SICs included in this table are: (58110) : Book publishing, (58120) : Publishing of directories and mailing lists, (58130) : Publishing of newspapers, (58141) : Publishing of learned journals, (58142) : Publishing of consumer, business and professional journals and periodicals, (58190) : Other publishing activities.

Significant Sectors

of the firms. Whereas one in four publishing jobs may be at the risk, two fifths of firms may need to vacate their premises. This would affect the strength and future development of publishing across Camden as a whole, particularly those small firms most likely to be operating in niche areas most conducive to the growing digital segment.

4.2.2 Publishing sub-sectors

As of 2013, there were 2,277 people employed in book publishing (SIC 58110) compared with 10,811 for London and 26,246 for the rest of England. Of the 2,227 employed in Camden, we estimate that 654 of the book publishing jobs are located in business in the area.

It is also of particular note that book publishing was found to have a strong location quotient for employment in comparison to both London (3.0) and England (6.6). This pattern is similar for the number of firms, with LQs demonstrating a cluster of firms in Camden against the rest of London (2.4) and England (4.1).

Another particular subsector of publishing is the publishing of consumer, business and professional journals and periodicals (SIC 58142) and is of particular significance as there are 3,988 jobs across Camden in this subsector. Our analysis estimates that 677 of these jobs are located in the area. Additionally, publishing of consumer, business and professional journals and periodicals was also found to have strong employment LQs compared to both London (3.1) and England (7.6). This was also repeated for firm LQs for London (1.8) and England (3.1).

4.2.3 Publishing sector occupations

Details of the occupations likely to be affected are presented below.

Figure 4: Publishing Occupations

Significant Sectors



Source: APS 2013(TBR ref: W3/C2)

Figure 4 describes the predominant occupations within publishing, which account for 68% of all jobs in the sector. It is clear that the group; journalists and editors would be at greatest risk from any reduction in employment, with over one in five persons holding such a role. Other occupations affected include: authors, writers and translators, with over 10% of the sector holding these occupations. It is also worth mentioning that supporting and managerial occupations are also vulnerable, with over 30% of occupations in the sector being in administration, sales, marketing or managerial positions.

4.3 Advertising

4.3.1 Advertising sector and Camden

The advertising and media industry in London is sizable. Around one fifth of all people in London are employed in the advertising and media industry²⁰. London's media industry also includes many of the major broadcasting networks. These include domestic firms such as the BBC, Channel 4, Channel 5 and Sky News (part of BskyB) as well as international providers including CNN, Bloomberg, CNBC and Al Jazeera.

Likewise, the newspaper industry is very concentrated in London with The Daily Telegraph, The Guardian, The Times and the Independent as well as the Daily Mirror, The Sun, The Daily Express and the Daily Mail having headquarters based in London²¹.

²⁰ London's Economic Plan. "London's Media Industry".

²¹ Ibid

Significant Sectors

When analysing advertising as a whole, it is clear that it is an important strand of the overall Camden economy. According to national statistics, the advertising sector in Camden is composed of 555 firms and 12,165 employees.²² It is also more likely to be affected by any changes in development rights in Camden as 34% of firms (188) and 31% (3,771) of employment falls within the area. As a result, any changes implemented regarding development rights in Camden could seriously undermine the cluster of firms in the borough and could erode the strength and future development of advertising in Camden.

Camden is in a unique position to benefit from the growing media and advertising sectors as firms cluster close to major transport links such as Kings Cross and St Pancras stations. This has led to Google establishing its UK headquarters in Argent London's regeneration at Kings Cross²³. Additionally, the area of London referred to as Midtown (covering areas such as Holborn and Covent Garden) are becoming increasingly attractive to Media firms²⁴.

Recent media reports have estimated that over 80% of the UK's advertising industry is concentrated in London. Moreover, the growth in digital technologies and platforms has benefited London through start-up companies promoted through programmes such as the government's *Tech City* initiative²⁵.

4.3.2 Advertising sector and Camden

Media representation (SIC 73120) provides 3,634 jobs in Camden compared with 8,598 jobs in London and 16,757 jobs in England. Additionally, there are 115 media firms in Camden compared with 975 firms in London and 2,810 firms in the rest of England. Employment for media representation demonstrates an overall significance with an LQ of 6.12 and 16.6 for London and England respectively. Statistics for number of firms is equally significant with LQs for London of 1.9 and for England 3.6, the latter indicating that businesses in the Camden and capital tend to be larger than elsewhere.

Statistics for advertising agencies (SIC 73110) show that employment in Camden is 8,531 compared with 42,582 in London and 90,069 in England. There are also 440 advertising firms in Camden compared with 4,510 firms for the rest of London and 13,870 for the rest of England. Location quotients demonstrate that employment in media and advertising agencies is 2.9 compared to London and 7.2 compared to England. Comparing location quotients for firms, a significant result is recorded of 1.6 and 2.7 for London and England respectively. Thus Camden has established strengths in the sector.

4.3.3 Advertising sector occupations

Details of occupations within advertising are set out below.

Figure 5: Advertising Occupations

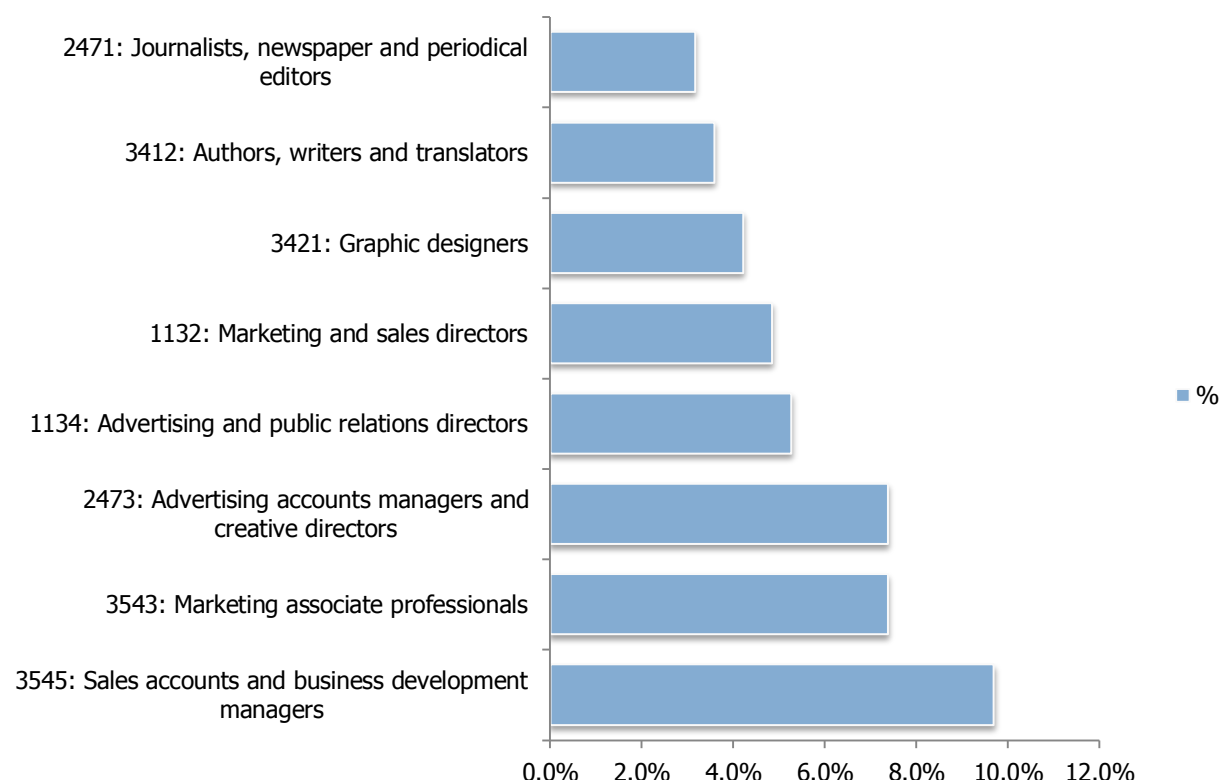
²² UK Business Counts and BRES

²³ Kings Cross Central. "Google to develop new UK headquarters at King's Cross in one of London's most significant property transactions of recent years". January 2013.

²⁴ Office Broker. "London Office Lowdown: Is Everyone Moving to Midtown?" March 2014.

²⁵ Financial Times. "Advertising: London's unique selling point". December 2013.

Significant Sectors



Source: APS 2013(TBR ref: W3/C3)

Figure 5 illustrates the most commonly held occupations in the advertising sector. As would be expected, there are a group of advertising specific occupations in the sector that would be at risk from converting office space to residential space: marketing associates, advertising account managers, creative directors, advertising and public relations directors. In addition, there is also a notable proportion of the advertising workforce with occupations often associated with the publishing sector (authors, writers, translators, and editors).

4.4 Public Relations and Communication Activities

In 2012, public relations turnover in the UK was forecasted to reach £9.62 billion and achieve total employment of 62,000 with an average salary of £53,781²⁶.

Public relations and communication activities are strongly represented in Camden. Our analysis demonstrates that there were 1,591 people employed in the public relations and communications industry (SIC 70210) in Camden against 9,024 for the rest of London and 14,960 for the rest of the England. Moreover, there were 105 public relations firms based in Camden compared with 1,160 firms in the rest of London and 2,930 firms in the rest of England. Our analysis demonstrates that the local sector would be impacted as 31% of firms and 9.4% of total employment are located in the area (33 firms and 150 employees). This evidence indicates that it is the small public relations and communication firms that are at greatest risk within the borough.

²⁶ PR Week. "The PR Census". December 2013.

Significant Sectors

4.5 Architectural Services

4.5.1 Architecture sector and Camden

Architectural services is a valuable sector of the UK economy and is forecast to generate a revenue of £4.6 billion in 2013-14 and accounting for 57,526 jobs in 2013. Additionally, exports account for about 4.9% of industry revenues equating to £229.1 million in 2013-14. There are 10,213 architectural businesses in the UK with no dominant companies²⁷ (by size) due to the small number of employees employed by individual architectural practices, a characteristic of the industry²⁸.

For Camden, architectural and engineering services contribute 15% to the overall economy of Camden compared with 12% in Westminster and 11% in Kensington and Chelsea²⁹.

Of the 2,735 architectural practices in London, 270 are based in Camden. Of these, approximately 127 are in the area.

Our analysis demonstrated that for architectural activities (SIC 71111) there were 3,321 people employed in Camden compared with 21,547 in London and 46,579 in the rest of England. We estimate that around 1 in 3 jobs in Camden's architecture sector are located in the area.

The location quotients for employment highlight the fact that architectural firms are clustered in Camden compared with London (2.2) and the rest of England (5.4). Similarly the firm LQs are strong relative to London (1.6) and the rest of England (2.5).

Table 9: Architectural employment in London³⁰

Architecture	Employees	Percentage
Camden	3,321	9%
Camden (outside CAZ)	1,195	3.3%
City of London	991	3%
Hammersmith and Fulham	1,089	3%
Islington	3,473	10%
Kensington and Chelsea	784	2%
Southwark	2,123	6%
Westminster	2,944	8%
Rest of London	21,547	59%

²⁷ IBIS World. "Architectural Activities in the UK: Market Research Report". September 2013.

²⁸ British Council. "Mapping the Creative industries: a toolkit. Undated.

²⁹ Oxford Economics. "The Economic Outlook for Central London". March 2014.

³⁰ SICs included in the table are (71111): Architectural activities.

Significant Sectors

Total	36,272	100%
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Source: BRES 2012 (TBR ref: W1/S3)

Table 9 shows the structure of architectural employment in London. What is clear is Camden's strength and concentration of architectural employment with 9% of all architectural jobs (3,321 individuals) being located in the borough. Previous research supports this assertion as research commissioned by Camden Council highlighted Camden's particular strength in architecture with a distinct concentration of employment relating to architectural services in Bloomsbury. The research also reported growth in architecture related employment in Camden of 33% between 2003-07 compared with 23% in inner London and 17% in Greater London³¹.

4.6 Photographic Activities

The photography industry was worth £1 billion pounds in 2013 employing 23,892 individuals in 8,624. The nature of work is characterised by part-time employment in small companies³².

Using SIC Code 74209 (Other photographic activity), the analysis shows that 406 people were employed in photographic activity (other than portraits) in Camden compared with 2,463 in London and 7,294 in England. This translates to 125 firms in Camden compared with 1,725 firms in the rest of London and a further 4,425 businesses in England. Our analysis has demonstrated that there is a significant cluster in Camden in terms of employment as the location quotients were recorded as 2.4 against wider London and 4.2 for the rest of England.

³¹ Dpa URS and Camden Council. "Creative and Cultural Industries in Camden. A Research Report and Action Plan commissioned by LB Camden" 2010.

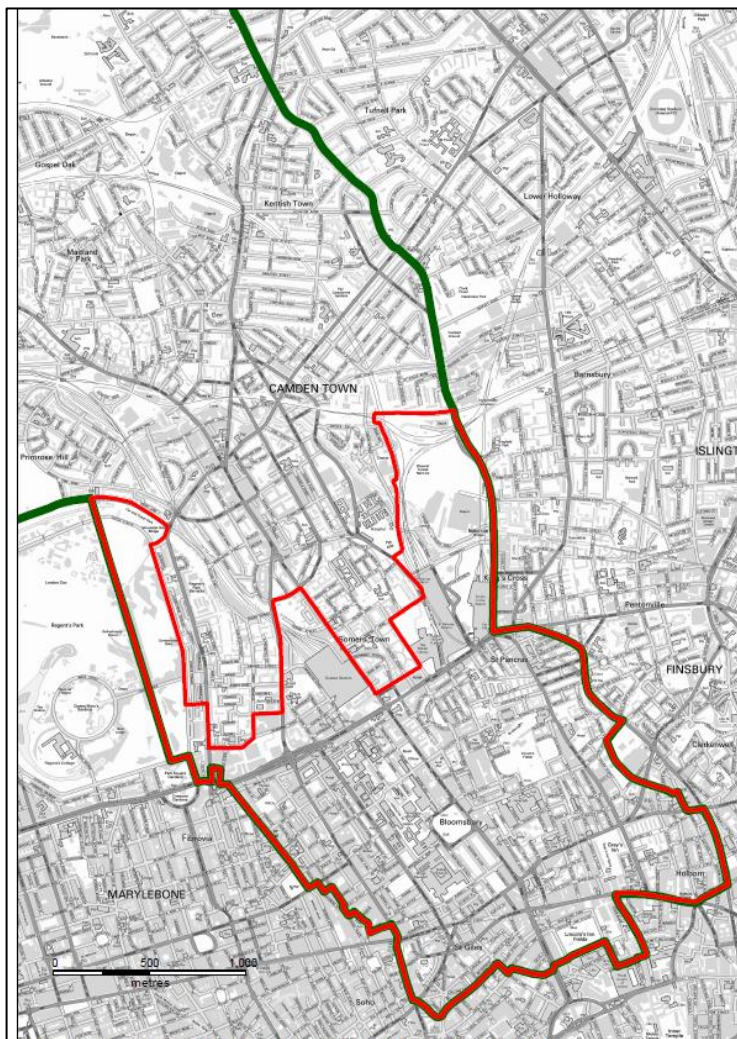
³² IBIS World. "Photographic Activities in the UK: Market Research Report". December 2013.

A Property Perspective

5. A Property Perspective

The office market in the part of Camden, north of Euston Road that is outside the CAZ is inextricably linked with the ebb and flow of tenants across the boundaries and therefore the general central London trends are reflected in the local market. In addition to these factors, the local market does have distinguishing characteristics, distinct clusters of offices and a defined occupier profile, as set out below. These clusters create an attraction for similar businesses. An important feature of Camden (outside the CAZ) is the market for smaller offices occupying properties such as former light industrial, stables, garages, coach houses, and mews around the borough amongst the existing residential stock and also upper parts in high streets such as Hampstead, Highgate and Finchley Road. There is a prevalence of this type of property and they create a diversity of occupier in these areas, which is valued by local occupiers and sought after, by owner-occupiers and tenants, particularly those that live nearby.

Figure 6: Outline of the Camden CAZ



5.1 The Office Hubs of Camden (outside the CAZ)

5.1.1 Euston

This includes Hampstead Road, Eversholt Street and William Road

Occupiers include Whistles (fashion) in Eversholt Street, Hillgate (travel) and Central and North West London NHS Foundation Trust in Hampstead Road, Addison Lee's head office (Taxi's) in William Road and Hodge Jones and Allen (solicitors) at 180 Gower Street.

This is part of the West End office market and has excellent public transport links including Euston main line and Euston (Northern and Victoria line) Underground Stations, Euston Square (Circle and Hammersmith and City Line) Underground Station, Warren

A Property Perspective

Street (Northern and Victoria Line) Underground Station and Great Portland Street (Circle and Hammersmith & City) Underground stations.

5.1.2 Mornington Crescent

The former Carreras Cigarette Factory, Greater London House, is home to occupiers such as Asos (online fashion retailer), Young & Rubicam (advertising) and Wonga (loan provider). Mornington Crescent is on the West End or Charring Cross branch of the Northern Line so has good public transport links.

5.1.3 Camden Town

This includes Jamestown Road, Oval Road, Pratt Street, Camden Street, Hawley Road and canal side offices at St Pancras Way and Camden Lock.

This is a large and important office hub and is associated with the TV and fashion industries, perhaps due to Camden Market being an important cultural and tourist destination, with numerous bars, nightclubs and music venues such as The Roundhouse, Koko, Electric Ballroom and Barfly. The hub developed from the former railway and industrial buildings associated with the railway, goods yard and the canal. It is also very well served by public transport. Camden Town Underground station is an important transport interchange where the City and West End branches of the Northern line meet and provides excellent tube access. Camden Road also provides overground services to Stratford in the east and Richmond in the west.

Occupiers include French Connection and Hugo Boss in Centro, Camden Street, MTV, Viacom and the Open University in Hawley Road, Bauer (Magazines) Hat Trick Productions, Associated Press, Jones Knowles Ritchie (designers), ARP (architects) and Max Fordham (Engineers) in Oval Road and Getty Images in Bayham Street.

5.1.4 Primrose Hill

This includes Regents Park Road, Gloucester Avenue and Chalcot Road.

This is a hub that developed from the former railway and piano workshops in Gloucester Avenue and Chalcot Road and around the Regents Park Road shopping terrace. Chalk Farm (Northern Line) provides good tube access. Occupiers include Shine TV at 42 Gloucester Avenue and Utopia Village in 7 Chalcot Road.

5.1.5 Kentish Town

This includes Kentish Town Road, Highgate Road, Spring Place and Holmes Road. Occupiers include Spring Studios, a post production photographic facility in Spring House, 10 Spring Place.

Kentish Town is an office hub that developed from the former railway and industrial buildings. It has excellent transport links with Kentish Town (Northern Line Underground) and the First Capital Connect Thameslink that gives access to Luton Airport, the Eurostar at St Pancras, Gatwick Airport as well as Kentish Town West and Gospel Oak (overground) stations. There are multi tenanted estates that provide a hub for small companies such as Highgate Studios and the adjoining Linton House in Highgate Road, Kentish Town.

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5.1.6 Swiss Cottage & Finchley Road

Swiss Cottage and Finchley Road is an office hub that developed because it is a busy shopping area, on a main route to central London and its excellent public transport links with Swiss Cottage (Jubilee Line Underground), Finchley Road (Jubilee and Metropolitan Lines) and Finchley Road & Frognal (overground) to Stratford. There are a number of large office buildings near each station such; as 100 Avenue Road where Thomson Reuters (publishing) are based, 100A Avenue Road which is the Ham & High (local newspaper) offices, Charles House, Marlborough House and the London Overground at 125 Finchley Road NW3.

5.1.7 West Hampstead

West Hampstead and Temple Fortune is an office hub that developed because it has excellent public transport links with 3 stations; West Hampstead (Jubilee Line) underground and overground Station and the First Capital Connect Thameslink that gives access to Luton Airport, the Eurostar at St Pancras Gatwick Airport. The hub comprises mostly smaller buildings, offices in upper parts catering for small companies.

5.1.8 Hampstead

A hub that comprises smaller offices occupying properties such as former light industrial, stables, garages, coach houses, and mews amongst the existing residential stock and also upper parts in the high street. It has good public transport links with both Hampstead (Northern Line) Underground Station, Hampstead Heath overground station for Stratford and Richmond.

5.1.9 Highgate

A hub that comprises smaller offices occupying properties such upper parts in the high street, former light industrial, stables, garages, coach houses, and mews amongst the existing residential stock and also upper parts in the high street. It has good public transport links with Highgate (Northern Line) Underground Station.

5.2 Office Market Commentary in the West End

In order to put the local market in context, the overall status and trend of the West End office market should be considered. In the Knight Frank quarterly Central London Survey, for example, they include NW1 (Euston, Mornington Crescent and Camden Town). Latest research from Estates Gazette and Knight Frank show the level of West End stock being well below medium term trend levels, whilst demand from occupiers have increased with transactional volumes increasing by 22% above the five-year average.

5.2.1 Demand

Demand is high. Take up in the West End office market in 2013 was just under 5million ft², 46% higher than in 2012, the strongest since 2010 according to the Knight Frank Central London Quarterly Survey Q4, 2013. The take up in Q4 was 1.2million ft².

5.2.2 Supply

Supply is low. Current West End vacancy rates fell for the third consecutive quarter from 4.7million to 4.6million ft² nearly 10% below the same quarter of 2012.

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The West End vacancy rate at the 2013 year end was 5% of the entire stock, the lowest level since 2008.

The technology, media and telecoms sector was the most active sector accounting for 24% of all transactions in Q4 in 2013 according to the Estates Gazette Office Market Analysis for Q4 2013. This survey also states that there is 1.9million ft² of offices under offer, the highest since 2010 and in 2013 12million ft² was let, up 23% from 2012. This shows very strong office demand in Central London.

5.3 The local market in Camden (outside the CAZ)

Local areas in the borough can be identified with specific features of demand and tenant profile. As with all markets, Camden provides a mix of stock from small news style office buildings scattered across the borough to larger purpose built office developments or converted warehouses in the core commercial centres. Camden has a full cross section of business types, and as the City of London is known for its financial services, so Camden is known for its TV, fashion and creative businesses.

Whilst some outer London boroughs experienced high vacancy levels of redundant office space in the recession of 2009, the reverse is true in Camden where vacancy levels are below those of the West End market and demand is consistently strong.

Key features of the Camden (outside the CAZ) office market are:

- Very low vacancy rate, only 186,000 ft² available on 9th April 2014, equivalent to 2.7% of all the office buildings according to CoStar (even lower than the West End which is 5.1%).
- Current availability rate is 3.3%, below the five year average of 5.3%.
- 162,457 ft² was leased between 9th April 2013 and 9th April 2014. In theory at this rate of leasing there is only 1 year and 2 months of availability left.
- Total stock in the area is 5.5 million ft² across a total of 761 buildings.
- Strong tenant demand demonstrated from recent transactions and active requirements

The loss of further office stock is likely to restrict local employment, and inhibit the movement and expansion of existing occupiers, potentially forcing them to consider the already congested centre of London or other boroughs in which to locate their businesses.

5.3.1 Office demand and growth

There is viable demand for additional space in the borough's prime office locations, especially in Camden Town.

There is very little capacity to meet that demand in Camden outside the CAZ and no substantial office schemes in the pipeline.

In the GLA's trend-based employment projections, between 2016 and 2031 the Borough of Camden is anticipated to gain 55,000 employee jobs, equal to 3,600 in net new jobs per year requiring 360,000 ft² of offices a year. This makes Camden the 3rd fastest-growing borough in London after Hammersmith & Fulham and Wandsworth.

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Demand for offices in Camden outside the CAZ is strong and proven with recent transactions such as:

Occupier	Business	Space	Address
UCL	University	45,000 ft ²	140 Hampstead Rd, NW1
Wonga	Online finance	25,000 ft ²	Greater London House, NW1
Dr Marten	Boots	4,600 ft ²	Rotunda, NW1
Achant Ltd	Publishing	2,120 ft ²	Charles House, NW3
Cass Art	Art supplies	2,710 ft ²	89-93 Bayham Street, NW1
TSP	Property Consultancy	2,500 ft ²	190 Camden High Street, NW1
Totalstay Group	Travel	5,581 ft ²	301-305 Kentish Town Rd, NW5
Highline United	Footwear	3,000 ft ²	Bedford House, NW1
Miinto Ltd	Mail Order	3,029 ft ²	116-134 Bayham Street, NW1
Rocket Dog	Footwear	3,900 ft ²	Centro Two, NW1

5.4 Office Stock Reduction through Planning Consent

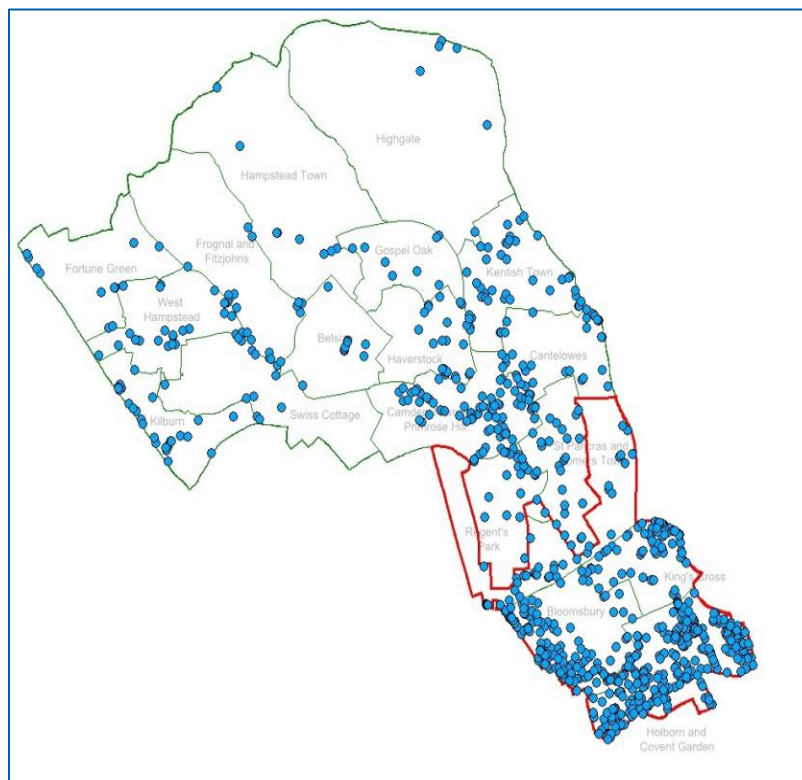
From 1st April 2004 to 31st October 2013 there has been a net loss of 606,427 ft² of B1a offices through the consenting of mixed use (B1a office and C3 residential schemes). These schemes are mostly mixed use (employment/C3 residential) but there has been a loss of 51% of B1a office floor space. Under traditional planning consent offices were lost but balanced with the need for housing with the planners able to control the type and quality of housing as well as where it was located. The housing created by permitted development is not under the jurisdiction of the planners in this respect, so the opportunity to influence across a range of parameters such as; location, type, affordability etc. has been lost.

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5.4.1 Loss of B1a(a) Office Space through Permitted Development

Since 30th May 2013, 257,000 ft² of B1a office space has been lost to Permitted Development. Using an industry standard rate of one person to every 100 ft² of office space, these offices would have had 2,570 people employed in them. As the legislation

Figure 7: Distribution of Change of Use prior to 2013



does not require the properties to be vacant, developers are entitled to relocate tenants when their leases expire or pay them to vacate during a tenancy.

5.5 Camden B1a property classifications

Below, in Table 10, we have classified the types of office properties in Camden outside the CAZ. All of these types are at risk. Type 2 and 3 are less likely to be at risk as they were purpose built as offices and are therefore harder to convert. This will not be a constraint however if the financial motive is great enough for conversions. Most buildings will be capable of conversion from a practical perspective. Type 6 are not allowed under current Permitted Development regulations but the Government announced in the Spring 2014 budget that this was under consultation.

Table 10: Property Classifications in Camden

- | |
|--|
| 1. Mixed Use
1. Retail and offices |
|--|

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Commonly in High Street areas where the most valuable use on the ground floor is retail with a self-contained office building above, often having its own separate ground floor entrance and reception.

2. Residential and offices

Common in Mews where there is office use on the ground floor with a separate self-contained residential upper part.

2. Purpose built self-contained office buildings over 30,000 sq ft

1. Constructed before 1945
2. Constructed between 1945 & 1980
3. Constructed between 1980 & 2000
4. Constructed after 2000

Most examples are in Euston and Camden Town that are the larger office hubs.

3. Purpose built self-contained office buildings under 30,000 sq ft

1. Constructed before 1945
2. Constructed between 1945 & 1980
3. Constructed between 1980 & 2000
4. Constructed after 2000

Most examples are in Euston and Camden Town that are the larger office hubs.

4. Converted Office Buildings

1. Converted from Warehouses/industrial
2. Mews/Stables
3. Former Residential
4. Former Religious/institutional/school buildings
5. Former Retail/pub buildings in areas with low foot fall.

These are located throughout the Borough in both office hubs and more residential areas.

5. Serviced Office Buildings or Multi-let Business Hubs on shorter term leases.

These comprise serviced offices in town centre areas such as Euston and as well as lower value short term business centres in the north of the Borough.

6. B1a(c) and Industrial

These are mostly pre War buildings. These are often located near the Canal or near the railways. These are not currently covered by Permitted development which is for B1aa only but the Government announced in the Spring 2014 budget that they are considering bring in permitted development for these too.

5.6 Residual Values – the value disparity

- Camden private residential property values are some of the highest in the UK.
- The financial incentive to convert office space to residential across Camden is substantial.

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- Office values will see an increase of over 100% in residual value where residential is permitted.

All the office hubs are within or adjacent to prime residential areas. The borough has one of the highest residential values in London, ranging from £750 - £1,800 per ft². Existing office values range between £350 - £750 per ft² and an average sale price, according to Costar, of £400 ft². Taking into account the usual development costs associated with residential developments (an average of £185 ft²) we have calculated that the break even for the average office price of £400 per ft² would be £585 per ft² (£400 + £185). There is therefore, a compelling financial case and profit motivation for residential conversion where private residential values are from £750 to £1,800 per ft². There is little or no existing office stock that would be unviable for conversion to residential based upon cost or other practical restrictions. In most cases, even assuming for higher costs for difficult conversions, there are still viable profit levels to convert to residential.

Table 11: Residential Property Values

Residential Property values				
				Source: Zoopla
Area	Postcode	Flats	All properties	Average - All properties
Camden	NW1	£695,362	£866,858	£919,138
	NW3	£883,061	£1,293,803	
	N19	£387,441	£552,099	
	N6	£584,017	£1,151,819	
	NW6	£533,183	£711,110	
Islington	N1	£509,902	£708,327	
Haringey	N15	£234,880	£331,481	
Brent	NW2	£371,647	£532,543	

The table above illustrates the high residential values in Camden compared to other London boroughs. The potential profits to be gained (see the summary of residual valuation examples below) will put extreme financial pressure on investors and property owners to obtain vacant possession of the buildings in order to convert within the remaining two year period. With the substantial level of profits available, landlords will be in a position to offer significant payments to induce tenants to surrender longer term leases earlier than the lease expiry date. With the already limited office stock in the borough, it is inevitable that these companies will be forced to move further afield to other areas in order to find suitable relocation. As these businesses are generally in the creative sectors it is likely they will have to relocate to more central London locations, increasing congestion and forcing more employees to commute into the centre.

The borough's main office hubs are located in some of the UK's highest residential value areas. This creates great financial incentive for conversion to residential. As a result of these very high residential values, developers are creating what has become known as the Super Prime Residential Market. This has been dominated by overseas purchasers and investors taking advantage of the (formerly) weak Sterling exchange rate and speculating

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on further inflation in this sector of the market. An example of this is Charles House, Utopia Village, 7 Chalcot Road, Primrose Hill, NW1 that features in our case studies later in the report.

It is clear that the type of residential stock that would be converted as a result of the proposed changes would fall in to the “prime” category. These new dwellings will not provide the type of lower value and affordable housing required by the local authority or in the desired locations that would normally be provided under existing planning requirements in the case of new developments. The Local Authority planners have no jurisdiction over the usual planning considerations of new housing such as overlooking habitable rooms of adjoining properties, amenity, design, quality, specification, energy performance or contributions to the local infrastructure through community infrastructure levies.

Figure 8: 5-6 Park End Hampstead NW3



property is greater than the value of the property with no development then the project is worth proceeding with.

In the table below this residual value is compared to the existing office value which would have been the value of the property prior to the Permitted Development rights being granted on 30th May 2013. The table also give these values on a price per ft² basis and a multiplier in terms of value uplift, i.e. 5-6 Park End in Hampstead, NW3, has a residual value three and half times greater value after 30th May 2013 than was the case prior to the extension of permitted development rights.

Frost Meadowcroft conducted residential valuations on a sample of buildings in Camden (outside the CAZ). This is a standard viability study undertaken by a building owner to assess the economic desirability of potential development works. The method entails establishing a gross development value (GDV) once all works are completed and then deducting all the development costs such as build costs, professional fees, finance costs and an allowance for profit, to arrive at a net development value. If the net value of the

Figure 9: Marlborough House, 179 – 189 Finchley Road NW3



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Table 12: Summary of example case study residual valuations

Property	Existing Value (£)	Residual Value for Residential Conversion (£)	Office value (£/ft ²)	Residential value (£/ft ²)	Value Uplift multiplier
5-6 Park End, NW3	£380,000	£1,340,000	£425	£1500	3.5
Marlborough House, 179-189 Finchley Road, NW3	£1,000,000	£4,650,000	£247	£1,148	4.65
Utopia Village, 7 Chalcot Road, NW1	£22,700,000	£71,350,000	£425	£1,336	3.14
45 Holmes Road, NW5	£380,000	£530,000	£353	£493	1.39
17 & 27 Ferdinard Street, NW1	£3,335,000	£5,270,000	£495	£783	1.57
1-8 Stucley Place, NW1	£7,240,000	£11,060,000	£495	£757	1.52

Source: Frost Meadowcroft

Clearly significant increases in value are anticipated from converting B1a(a) premises to residential.

Figure 10: Utopia Village, 7 Chalcot Road, NW1



5.7 Conclusion

The new permitted development rights of 30th May 2012 is rapidly removing office property in the B1a use class within the area of Camden outside the CAZ despite a growing employment need and the demand for offices as evidenced by recent lettings.

Since 30th May 2013, 257,000 ft² of B1a office space has been lost to Permitted Development. Using an industry standard rate of one person to every 100 sq ft of office space, these offices would have hosted 2,570 jobs. Furthermore, as the legislation does

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not require the properties to be vacant to exercise change of use, so developers are entitled to relocate tenants when their leases expire or pay them to vacate during a tenancy.

The GLA survey shows that employment is growing in Camden at the third fastest rate in London after Hammersmith & Fulham and Wandsworth, yet there is very little new supply of offices planned outside the CAZ and the office stock is being lost irreversibly.

Office tenants are being forced to relocate out of the creative industries hub of Camden Town, for example, and it is likely these businesses will have to pay higher rents in the already congested centre of London. Moreover, the local employees will need to travel further to work putting further strain on transport. This has a knock-on effect on the day time service industries such as shops, pubs and restaurants (induced and indirect effects).

As Camden outside the CAZ is a high value residential area, developers are motivated to exercise the permitted rights for change of use from offices to higher value residential. These new dwellings are unlikely to contribute to the much needed affordable housing, nor will it be in the desired locations that would normally be provided under existing planning requirements in the case of new developments. The Local Authority planners have no jurisdiction over the usual planning considerations of new housing such as overlooking habitable rooms of adjoining properties, amenity, design, quality, specification, energy performance or contributions to the local infrastructure through community infrastructure levies.

Overall Economic Impact

6. Overall Economic Impact

We calculate the overall direct economic impact of the proposed change in permitted development rights by analysing the economic contribution made by firms based in office premises which are at risk of being converted to residential. We have identified that within the area there are:

- 5,000 businesses
- 17,500 employees
- £1.4billion in output
- £3billion in turnover

These businesses are all, to a greater or lesser extent, subject to disruption by way of occupying premises subject to unfettered change of use.

We recognise, of course, that it is limiting to look simply at the direct impact of the proposed change. The industries important to the area (and because of their scale and local specialism, to the wider London and UK economies) represent a set of inter-related activities across supply chains which operate to add value by working together – as clients, suppliers, intermediaries, distribution channels, etc. Firms in the value chain operate from premises across a range of business use classifications, and the office-based activities of any sector are not isolated or distinct from activities which rely on different types of premises. We have developed an analysis of indirect economic impacts below, which helps quantify these impacts. However, there are a range of intangible benefits of co-location for strong economic clusters to thrive, which lead to the high productivity and competitiveness that strong clusters enjoy. Disrupting the existence of key sectors within Camden – and potentially other links in the value chain – may have wider implications than we can quantify.

Simple economic arguments suggest that a reduction in the availability of office accommodation in any locality will increase the market value of the remaining accommodation in that market and put prices (e.g. rents) up. This may incentivise the conversion of properties from other use classes into B1a, as owners see this as a route to the ultimate goal of converting to residential use, or because market conditions for office accommodation are more favourable than, say, some form of studio or warehouse space. Such a process may negatively affect the supply of other types of accommodation that a particular sector relies on (such as printing space for the publishing industry) to be competitive at local and national scales. While we identify the quantitative impacts the change in permitted development rights is likely to have, there will be other market impacts which are likely to further undermine the local and national performance of key sectors.

As identified in section 3 of the report, the creative sector was found to make a significant contribution to the overall economy of the area. Our analysis has therefore, sought to provide statistical data on the impacts on significant subsectors of the creative sector which play a prominent role in the overall economy of the area.

As illustrated in **Table 13** over 5,000 jobs and 1,000 firms within three elements of the creative industries are at risk from change of use. While each of the sectors demonstrate specific characteristics, e.g. architecture is the largest in terms of most firms and jobs, publishing generates most output and advertising is responsible for the greatest turnover,

Overall Economic Impact

they are all populated by small firms with just over 5 staff per firm. As indicated above small businesses are most likely to be vulnerable to change of use.

Table 13: Impact on Creative sectors in the Area

Sector	Firms	Employment	Output (£ks)	TO (£ks)	Floorspace ft ²
Advertising	318	1,642	£120,199	£605,429	164,156
Publishing	318	1,564	£134,173	£301,082	156,396
Architectural activities	394	2,257	£86,343	£141,491	225,727
Total	1,030	5,463	£340,715	£1,048,002	546,278

Source: TBR W2/S1

Publishing is notable as the most productive of all the sectors, producing £85k in output per employee. This no doubt reflects the adoption of digital technologies and demand for online publications. These changes have reinforced the attractiveness of trendy offices and locations, often in central locations, such as Camden. Paradoxically, part of the attraction may lie in the juxtaposition of employment and residential accommodation. What is clear is that these central locations allow publishing firms to attract the skilled employees required to keep pace with innovations. As a result, these firms tend to be highly productive.

Figure 11: Creative businesses in the Area



As can be seen from Figure 11 above, the creative industries are widely spread, with particular concentrations in Camden Town, Primrose Hill and

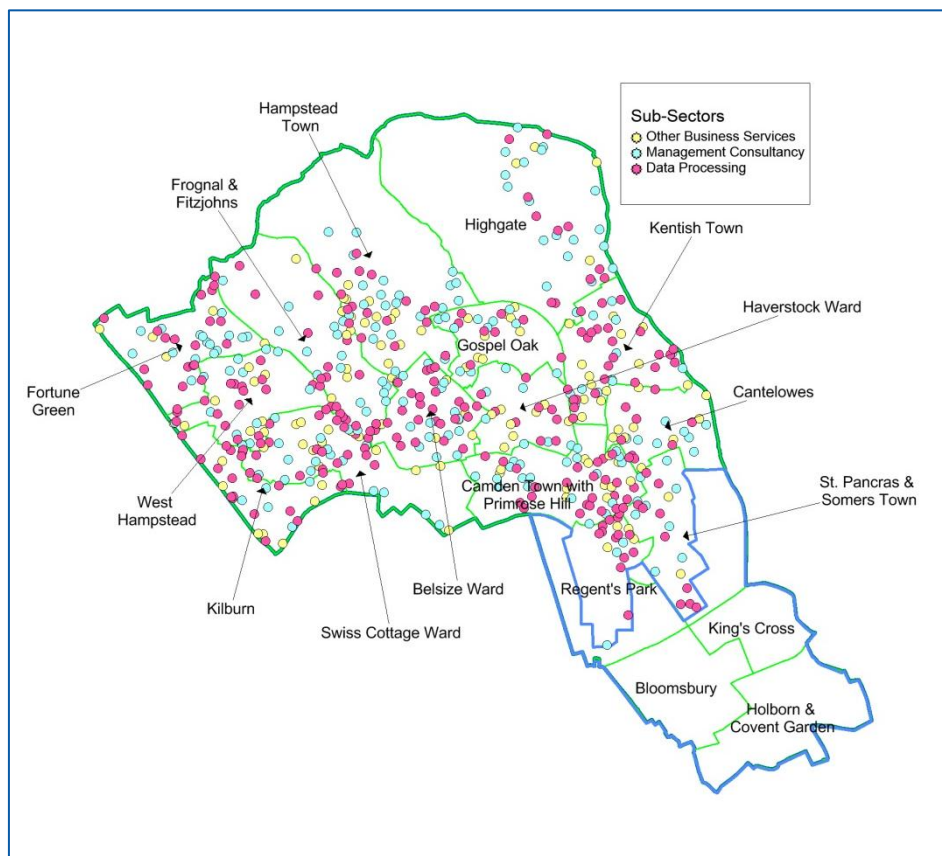
Overall Economic Impact

Table 14: Impact of other Sectors in the Area (Camden outside CAZ)

Sector	Firms	Employment	Output (£ks)	TO (£ks)	Floorspace
Data Processing	956	2,326	£243,962	£376,707	232,630
Management Consultancy Services	816	2,160	£217,333	£381,500	215,995
Business Support Services	684	2,031	£157,264	£534,321	203,112
Total	2,456	6,517	£618,559	£1,292,528	651,737

As demonstrated in Figure 12 other sectors based in B1a premises are located in the area, so at risk from change of use. Overall, these sectors contribute 6,500 jobs to the local workforce, produce around £619m of output and generate nearly £1.3billion of turnover. Furthermore, these sectors are some of the most productive, with data processing generating £105k per employee, management consultancy services £100k and business support services £77k. If the premises that these businesses occupy were to be reclassified as residential the area would lose some of its most productive businesses.

Figure 12: Other sub-sectors businesses in the Area



6.1.1 Explaining indirect and induced impacts

The economic impact of a particular sector is not restricted to its direct contribution in terms of employment and output. Rather, the true economic value of a sector (or grouping of sectors)

Overall Economic Impact

should be based on a measure that also includes its indirect and induced impacts. Indirect and induced impacts are calculated using multipliers attached to data on direct economic impacts.

Indirect economic impacts derive through activities along a firm's supply chain. For example, a publishing company purchasing publishing software would be an example of an indirect economic impact. The significance of these indirect impacts varies by sector, with each sector having a different multiplier. For instance, if a sector were to have a direct economic output of £0.8 billion and an indirect (or type 1) multiplier of 1.25, then the total output would be £1 billion, of which £0.2 billion would derive from the indirect activities.

A firm also delivers induced economic impacts through the spending of its employees. A member of staff, for example, purchasing a sandwich on their lunch break represents an induced economic impact. Again, the significance of these impacts varies by sector and results in sectors having different multipliers. For example, if a sector's annual economic output were to be £0.4 billion and it had an induced (or type 2) multiplier of 1.2, then the total output would be £0.48 billion, with £0.08 billion coming from the induced impacts.

6.1.2 Indirect and Induced Impacts

As (direct) employment and economic output are concentrated in firms occupying B1a classified premises, so there is a strong likelihood that indirect and induced economic impacts will also take place in businesses operating in similar premises. This may well exacerbate the negative impacts of B1a space being lost in terms of disrupting supply chains and convenience facilities for those businesses that remain in the area.

Analysis on the conversion of B1a premises reveals that 5,620 indirect and 10,067 induced jobs will be impacted by the changes to permitted development rights. This equates to a combined figure of 15,687 jobs. Most of these jobs will be located in Camden, with small businesses being interdependent on another in Camden.

Table 15: Total Indirect & Induced Employment Impact

Area	Direct Employment	Indirect Impact	Induced Impact	Total Impact
Area (Camden w/o CAZ)	17,570	5,620	10,067	33,257

Source: TBR W2/S1

In terms of economic output, our analysis suggests that direct economic output of £1.37billion will be at risk from the changes to permitted development rights outside the CAZ area. Additionally, an indirect impact of £428 million and an induced impact of £750 million would arise. This equates to a combined amount of £2.5billion in total economic output.

Table 16: Total Indirect & Induced Employment Impact

Area	Direct Output (£ks)	Indirect Impact	Induced Impact	Total Impact (£ks)
Camden (w/o CAZ)	£1,370,212	£427,603	£750,364	£2,548,179

Source: TBR W2/S1

Table 17: Total Estimated Leakage

Type	Direct	Indirect and Induced	Leakage from Camden	Leakage from London
Employment	17,570	15,687	11,609	6,432
Output (£ks)	£1,370,212	£1,177,967	£871,696	£482,966

Source: TBR W2/S1

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The indirect and induced potential impacts estimated by our analysis will not be contained locally, but will emanate out across London, the South East and further afield. This is because business interactions occur beyond borough and city boundaries. For example, a business located within the area could purchase its raw materials from business located elsewhere in the UK. From previous research by TBR³³ involving Camden businesses, our analysis is able to estimate that of the leakage from Camden is 11,600 jobs and leakage from London is 6,400 jobs. In other words, outside of Camden there are estimated 11,600 jobs at risk and 6,400 of these jobs are located in the UK outside of London. These would be the jobs at risk either located outside Camden or outside of London from the conversion of B1aa into residential premises.

6.1.3 Indirect and Induced Impacts on the Creative Industries

Our analysis shows that for the key creative industries, the indirect and induced impacts would be 4,980 jobs in addition to the 5,450 direct jobs, giving a total employment of 10,430 at risk.

Details of the employment impacts on key components of the creative industries are provided in Table 18 below.

Table 18: Indirect & Induced Employment Impact by key Creative Sectors in the Area

Sector	Direct? Employment	Indirect Impact	Induced Impact	Total Impact
Advertising	1,642	502	892	3,036
Publishing	1,564	630	1,044	3,238
Architectural activities	2,257	690	1,227	4,174
Total	5,463	1,823	3,163	10,449

Source: TBR W2/S1

Details of the output impacts on key components of the creative industries are provided in Table 19 above.

Table 19: Indirect & Induced Output (£) Impact by key Creative Sectors in the Area

Sector	Employment	Indirect Impact	Induced Impact	Total Impact
Advertising	£120,199	£35,325	£66,943	£222,467
Publishing	£134,173	£55,169	£76,753	£266,095
Architectural activities	£86,343	£25,375	£132,173	£243,892
Total	£340,715	£115,869	£275,870	£732,454

Source: TBR W2/S1

³³ TBR recently conducted a business survey from a sample of Camden businesses. In the survey we asked businesses the proportion of their business that was conducted with businesses located in Camden or in London. We were then able to produce coefficients to estimate the leakage factor for both employment and output.

Overall Economic Impact

Table 20: Leakage by key Creative Sectors in the Area - Employment

Sector	Direct	Indirect and Induced	Leakage from Camden	Leakage from London
Advertising	1,642	1,394	1,032	572
Publishing	1,564	1,674	1,239	687
Architectural activities	2,257	1,917	1,419	786
Total	5,463	4,986	3,689	2,044

Source: TBR W2/S1

Table 21: Leakage by key Creative Sectors in the Area – Output (£ks)

Sector	Direct	Indirect and Induced	Leakage from Camden	Leakage from London
Advertising	£120,199	£102,268	£75,679	£41,930
Publishing	£134,173	£131,922	£97,623	£54,088
Architectural activities	£86,343	£157,549	£116,586	£64,595
Total	£340,715	£391,739	£289,887	£160,613

Source: TBR W2/S1

In terms of leakage associated with the Creative Sectors, our analysis estimates that 3,689 jobs outside Camden would be at risk. Of which, 2,044 would be outside of London. The associated output from this leakage is £300m outside of Camden.

The analysis demonstrates that allowing the unfettered change of use across the borough could have serious negative impacts on the creative industries as a whole, and the advertising, publishing and architectural sectors in particular. These sectors are not just important to Camden but form a vital part of the London offer and its ability to compete in global markets.

Conclusions: Overall Assessment of Impact

7. Conclusions: Overall Assessment of Impact

7.1 Impact to Camden

It is evident that businesses occupying B1a premises within the area compose a crucial element of Camden's economy. We have used LQ analysis to illustrate the importance of the creative industries in Camden on a regional and national level. In general, these comprise mainly smaller businesses and are located in areas and premises that make ideal candidates for conversion into residential properties. We believe that these B1a premises, with a few exceptions, are at high risk of being converted over the timescale available to developers.

There currently exists a combination of factors that put these premises in Camden at risk from being converted. We have demonstrated a continued demand for residential properties in Camden and the rapidly rising values of residential properties make the conversion appealing to landowners and developers. At present, the financial incentive to convert office premises to residential space is strong in Camden, which few are unlikely to resist over the next two years.

Past trends also demonstrate that converting office space to residential space is occurring in Camden. Since introduction of the permitted development rights on 30th May 2013, 257,000 ft² of B1a office space has been lost. Using an industry standard rate of one person to every 100 ft² of office space, these offices would have employed 2,570 people as the legislation does not require the properties to be vacant so developers are entitled to relocate tenants when their leases expire or pay them to vacate during a tenancy.

The conversion of offices to residential is happening even when office space is in high demand. Camden, unlike other local authorities, has a low vacancy rate. In addition, there is little opportunity to increase office provision outside the CAZ, which suggests the conversion of office space to residential will exacerbate the existing imbalance between demand and supply of offices in Camden.³⁴

We estimate that a total of 1.75million ft² of B1a office floorspace to be at risk in Camden that is outside the CAZ. Associated with this floorspace are 5,027 firms, 17,570 employees, £1.3billion output and £3 billion of turnover. In addition, our analysis suggests there will be another 15,687 jobs at risk from the indirect and induced impacts of converting office to residential space, or a total of 33,257.

Table 22: Total Direct Impact of B1a Business losses outside CAZ area

Firms	Employment	Output (£ks)	TO (£ks)	Floorspace ft2
5,027	17,570	£1,370,212	£2,987,817	1,756,986

Source: TBR W2/S1

³⁴ This is only referring to Camden outside CAZ. In the CAZ there is pipeline supply of offices in Kings Cross and Euston.

Conclusions: Overall Assessment of Impact

7.2 Impact to London & UK

Those businesses located in B1a premises in the area have links beyond the local economy, so any negative impacts will be transmitted across boundaries and adversely affect London and the rest of the UK. Our analysis estimates that 11,609 jobs and £872m of output based outside of Camden are associated with the area's B1a economy. We estimate that this would affect 5,200 jobs in London and 6,400 jobs elsewhere in the UK. It would also impact £389m and £483m of output respectively.

Table 23: Indirect & Induced Employment Impact

Area	Employment	Indirect Impact	Induced Impact	Total Impact
Camden (w/o CAZ)	17,570	5,620	10,067	33,257

Our analysis also suggests that some of Camden's regional and nationally significant sectors will be at risk from the change to permitted development rights. These are sectors with a high presence in the area; including publishing, advertising and architectural activities. We suggest that nearly 5,500 creative sector jobs are directly at risk and a further 5,000 from indirect and induced effects. Financially, this would remove £340million of output directly and a further £391million from indirect and induced effects, with this reduction in option occurring both in Camden and elsewhere in the UK economy.

From examining the leakage factor, we estimate that the creative sectors located in Camden would negatively impact the output the rest of the UK economy by £290m (£130m to London's economy and £160m to the rest of the UK's economy). Associated with this output outside of Camden from Camden's Creative Sectors is an estimated 3,689 jobs: 1,600 in the rest of London and 2,000 elsewhere in the UK.

Table 24: Indirect & Induced Employment Impact by key Creative Sectors in the Area

Sector	Employment	Indirect Impact	Induced Impact	Total Impact
Advertising	1,642	502	892	3,036
Publishing	1,564	630	1,044	3,238
Architectural activities	2,257	690	1,227	4,174
Total	5,463	1,823	3,163	10,449

Source: TBR W2/S1

Conclusions: Overall Assessment of Impact

Table 25: Indirect & Induced Output (£) Impact by key Creative Sectors in the Area

Sector	Employment	Indirect Impact	Induced Impact	Total Impact
Advertising	£120,199	£35,325	£66,943	£222,467
Publishing	£134,173	£55,169	£76,753	£266,095
Architectural activities	£86,343	£25,375	£132,173	£243,892
Total	£340,715	£115,869	£275,870	£732,454

Source: TBR W2/S1

We also have identified that other significant business sectors located in the area will be at risk from the change to permitted development rights. These include: Data Processing, Management Consultancy Services and Business Support Services. The analysis indicates that £171m of London's output and £212m from the rest of the UK would be lost should local businesses be turned out as a result of their premises being converted to residential use.

7.3 Concluding remarks

The change to permitted development rights clearly poses a substantial risk to the Camden economy in the short to medium term, with potentially significant impacts on the economy beyond Camden.

The research demonstrates that while much of Camden's economy is concentrated within the CAZ, as might be expected, a significant portion is spread across the rest of the borough. This is particularly true for the creative industries. Among this sector, advertising, publishing and architectural activities are prevalent across the area outside the CAZ. A feature of these three industries is their preference for small, trendy, residential style premises with good access to central locations. In addition, collaboration and the free flow of ideas are central to the nature of the creative industries meaning that they tend to cluster together in clusters.

The research also identified other sectors prevalent in the area. These included: data processing, management consultancy and business support services. While firms in these sectors may, in general, be less likely to demand 'residential style' premises to the same extent as their peers in the creative industries, many small niche operators will find them attractive, so run the risk of having to leave their offices following a decision by a landlord to convert them to residential.

The market review identified a number of characteristics relevant to the impact of the extension of permitted development rights. Residential premises carry a high premium over employment space, even after development costs have been taken into account. Thus there are strong commercial arguments for taking advantage of the ability to convert properties to residential. Furthermore, the low office vacancy rates mean that not only vacant properties will be affected, it is expected that as leases on offices come to

Conclusions: Overall Assessment of Impact

a close that increasing numbers will be redeveloped or sold on and evidence already exists that business tenants will be turned out mid lease.

Geographically (as per figure 2), while we see some concentrations in centres such as Camden Town, Primrose Hill and Kentish Town, businesses are widely spread and co-located with residential property. The very factors that make these offices attractive (close to home, access to central London, etc) may mean that they are even more likely to be converted to residential.

One complicating factor is the limited window of three years provided by the current legislation. As the introduction of the right led to a flurry of developments, so we anticipate a further rush in late 2015/early 2016 if it appears that the rights are to be withdrawn. This means that current activity may (significantly) underestimate what may happen in 12 to 18 months' time.

It is clear that the extension of permitted development rights will reduce the stock of B1a premises available to businesses across the area not covered by the CAZ. The natural consequence to any reduction in supply will be an increase in rents, especially as demand for business premises in the area is so great. We would expect this to result in a fall in firm numbers; employment and output as firms re-locate out of the borough or even close.

At this stage, we believe that an Article 4 exemption be sought across the whole of the area based on the dispersed location of firms, the juxtaposition of offices and residential property, and the importance of Camden's creative businesses to both London and the nation.

Appendix 5 – Site Photos



Photo 1 (above): Adjacent southeast (side) facing elevation of 110-114 Grafton Road



Photo 2 (above): Adjacent southeast (side) facing elevation of 110-114 Grafton Road



Photo 3 (above): Adjacent terrace and side window serving neighbouring flat at 110-114 Grafton Road