

Address:	125 Shaftesbury Avenue London WC2H 8AD		2
Application Number:	2016/5202/P	Officer: David Fowler	
Ward:	Holborn and Covent Garden		
Date Received:	16/09/2016		
Proposal:			
Remodelling, refurbishment and extension of existing office building (Class B1) at upper floor levels, roof level and within lightwells to provide 9,682sqm additional floorspace, including terraces, a new public route, a relocated office entrance (Charing Cross Road), rooftop plant and flexible retail uses (Classes A1/A3), along with associated highway, landscaping and public realm improvements.			
Background Papers, Supporting Documents and Drawing Numbers:			
Existing plans			
<ul style="list-style-type: none"> 231_P10.000, 231_P10.001, 231_P10.100, 231_P10.101, 231_P10.102, 231_P10.103, 231_P10.104, 231_P10.105, 231_P10.106, 231_P10.107, 231_P10.108, 231_P10.109, 231_P10.110, 231_P10.111, 231_P10.112, 231_P10.113, 231_P10.200, 231_P10.201, 231_P10.202, 231_P10.203, 231_P10.204, 231_P10.205, 231_P10.206, 231_P10.207, 231_P10.300, 231_P10.301, 231_P10.302, 231_P10.303, 231_P10.304, 231_P10.305. 			
Proposed plans			
<ul style="list-style-type: none"> 231_P20.001, 231_P20.100 1, 231_P20.101 B, 231_P20.102 A, 231_P20.103 A, 231_P20.104 A, 231_P20.105 A, 231_P20.106 A, 231_P20.107 A, 231_P20.108 A, 231_P20.109, 231_P20.110 A, 231_P20.111 A, 231_P20.112 A, 231_P20.113 B, 231_P20.115 A, 231_P20.116 A, 231_P30.000 A, 231_P30.001 A, 231_P30.002 A, 231_P30.003, 231_P30.004 A, 231_P30.005 A, 231_P30.006 A, 231_P30.007, P30.011, P30.012, 231_P30.013, 231_P40.001, 231_P40.002 A, 231_P40.003 A, 231_P40.004 A, 231-01-DetailFacade, WIE SA 05 0004 A01, 231_SK1694. 			
Documents			
<ul style="list-style-type: none"> Air Quality Assessment (Waterman) September 2016, Demolition and Construction Works Management & Logistics Plan (Outline) (A. I. A.) August 2016, Daylight and Sunlight Report (GIA) September 2016, Daylight and Sunlight Addendum - Trentishoe Mansions and 1A Phoenix Street (GIA) 28/11/2016, Letter from GIA (17/03/2017), Drainage Strategy (Waterman) September 2016, Economic Benefits Statement (Volterra) September 2016, Energy Strategy (RES) September 2016, Financial Viability Statement (Gerald Eve) September 2016, Flood Risk Assessment (AKT II Ltd) September 2016, Historic Environment Desk-Based Assessment (Waterman) September 2016, Housing Study (DSDHA) September 2016, Planning Noise Assessment (Waterman) September 2016, Planning Statement (Gerald Eve) September 2016, Preliminary Ecological Appraisal (Waterman) September 2016, Preliminary Environmental Risk Assessment (Waterman) September 2016, Site Waste Management Plan (Waterman) September 2016, Statement of 			

Community Involvement (London Communications Agency) September 2016, Sustainability Statement (RES) September 2016, Transport Assessment (Waterman) September 2016, Townscape and Visual Impact Assessment (Peter Stewart Consultancy/Miller Hare Ltd) September 2016, Design and Access Statement (DSDHA) September 2016, Design and Access Statement – Addendum (DSDHA) November 2016, Arboricultural Development Report (tree: fabrik) September 2016, Site Waste Management Plan (Waterman) September 2016, Framework Travel Plan WIC10216TP-001 (Waterman) January 2017.

RECOMMENDATION SUMMARY:
Grant conditional planning permission subject to Section 106 Legal Agreement

Applicant:	Agent:
Almacantar Shaftesbury S.a.r.l	Mr Will Rimmell Gerald Eve LLP 72 Welbeck Street London W1G 0AY

ANALYSIS INFORMATION

Land Use Details:

	Use Class	Use Description	Floorspace (GIA sqm)
Existing	B1 Office		18,830.4
	A1 Retail		3,646.2
	A3 Food		226.4
	Sui generis (drycleaner)		70.4
	TOTAL		22,773.4
Proposed	B1 Office		28,513.3
	A1 Retail		153
	A3 Food		0
	Flexible retail (Class A1/A3)		2,245.7
	TOTAL		30,912

Parking Details:

	Parking Spaces (General)	Parking Spaces (Disabled)
Existing	21	0
Proposed	2	0

OFFICERS' REPORT

Reason for Referral to Committee:

(i) major development where this involves the construction, extension or conversion of floorspace for 10 or more new dwellings or more than 1000 sq. mtrs of non-residential floorspace;

Environmental Impact Assessment (EIA)

A screening opinion for the proposal was provided by the Council in 2015 whereby that development did not constitute an EIA development under the EIA Regulations 2011/2015 Regulations.). An EIA is therefore not applicable to the development.

1 SITE

- 1.1 The application site covers an area of 0.35 hectares. It is occupied by a large office building comprising 22,773sqm over 10 storeys, with some retail at ground floor. The site includes Caxton Walk on its western side which is pedestrian area but not a through-route. The site also includes an area of private open space in its northern corner. The application site is located within the Central Activities Zone. A Central London Frontage covers the south-western part of the site. The site is within an Archaeological Priority Area. There are no listed buildings on the site and it is not within a conservation area.
- 1.2 The application site is bounded by Shaftesbury Avenue to the southeast, the rear of properties facing Shaftesbury Avenue, Cambridge Circus and Charing Cross Road to the south, Charing Cross Road to the west, Phoenix Street to the north-west, Stacey Street with Phoenix Gardens beyond and also New Compton Street to the north-east and Stacey Street to the east. Charing Cross Road forms the boundary with the City of Westminster.

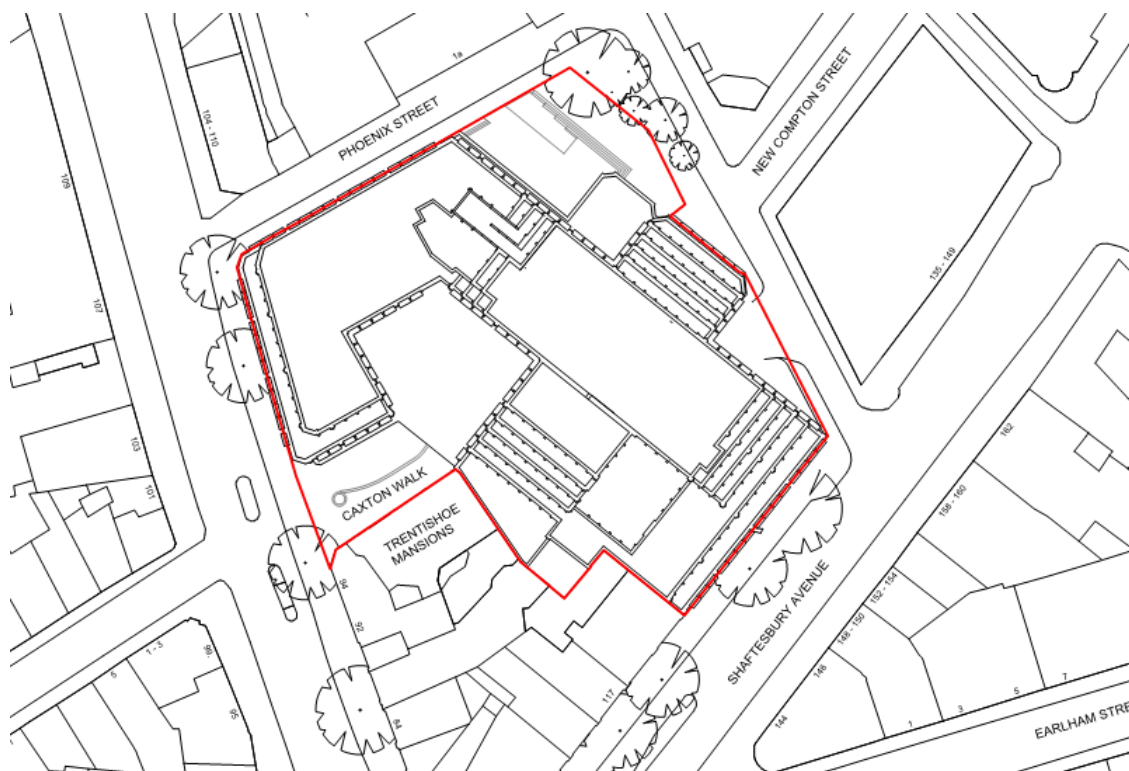


Figure 1 – Existing site plan

- 1.3 The listed buildings which would be affected by the proposal are the Phoenix Theatre to the north of the site which is grade II listed and the former Saville Theatre to the east, which is now an Odeon Cinema, is also grade II listed. Other listed buildings surround the site. These are shown in Figure 2 below.

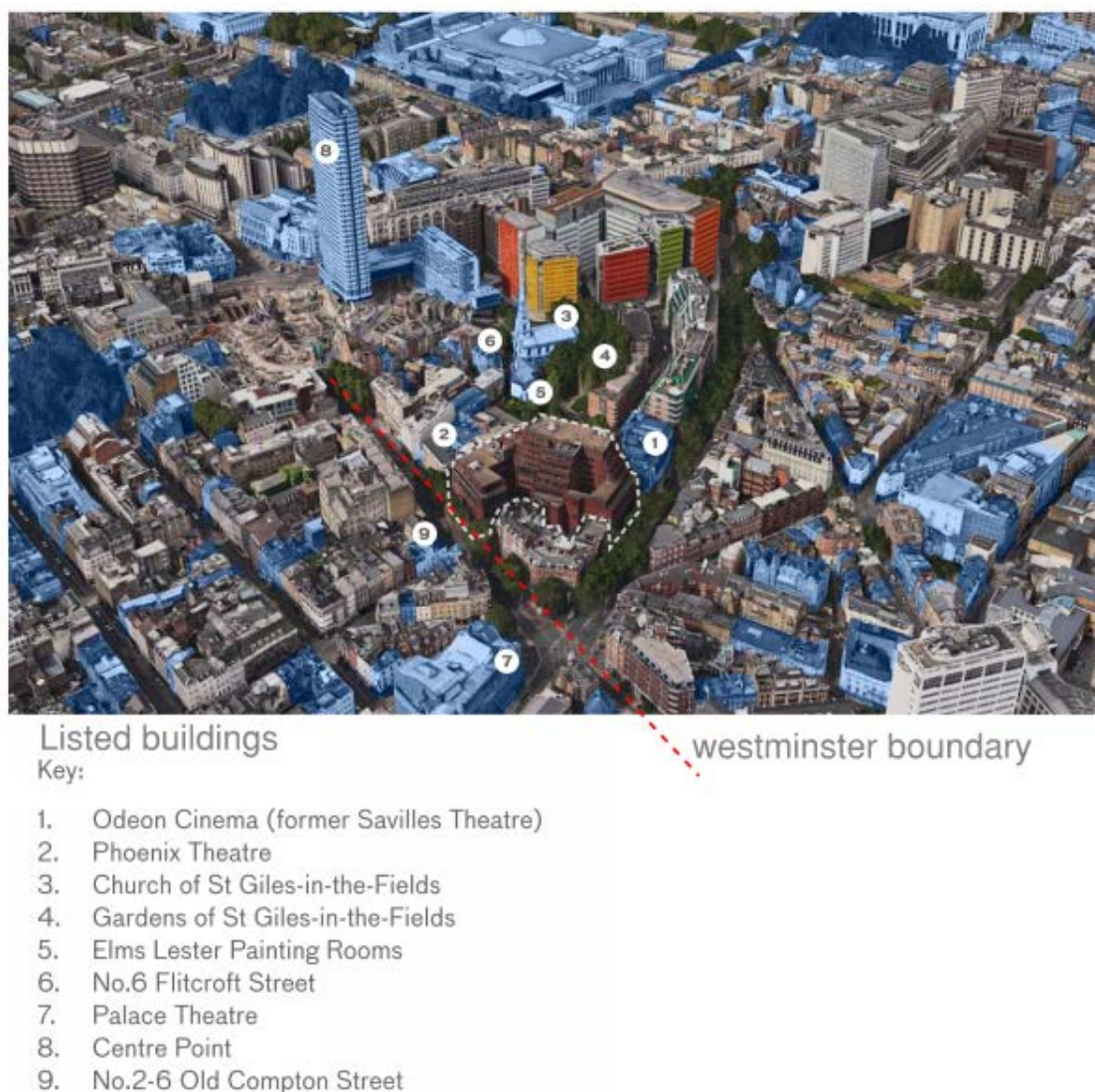


Figure 2. showing listed buildings surrounding the site

- 1.4 The site is not within a conservation area. The Seven Dials Conservation Area adjoins the site to the south-east (on the other side of Shaftesbury Avenue). The Denmark Street Conservation Area is located to the north of the site (on the other side of Phoenix Street). The Soho Conservation Area is located to the west (on the other side of Charing Cross Road), within the City of Westminster. Phoenix Community Garden is located to the north-east and is designated as Public Open Space and is Locally Listed.

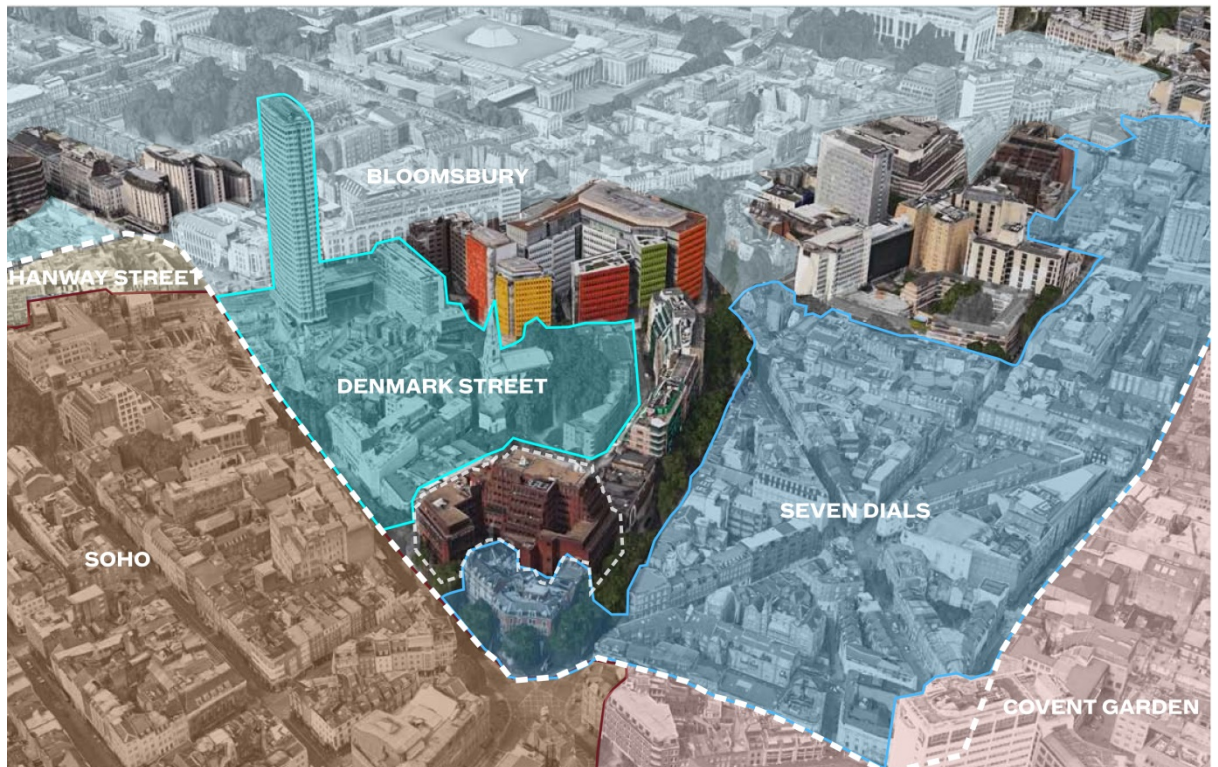


Figure 3. Conservation Areas in the vicinity

- 1.5 Figure 3 shows the Conservation Areas which surround the site. The surrounding area is largely commercial in character with offices, retail, and numerous West End entertainment uses such as bars, restaurants, theatres and a cinema predominating. However immediately to the north a quieter enclave exists around Phoenix Gardens with residential uses and the backs of larger commercial properties facing onto it.
- 1.6 The application building is by far the highest in the immediate vicinity which is generally around 4-8 storeys in height.
- 1.7 The site has a Public Transport Accessibility Level (PTAL) of 6b (Excellent), which is the highest. The site is close to Tottenham Court Road, Leicester Square and Covent Garden Underground Stations and is served by numerous bus services.

2 THE PROPOSAL

- 2.1 Under the proposals, the frame of the existing office building would be retained and the building would be remodelled, refurbished and extended at the upper floor levels, roof level and within the existing lightwells. Much of the existing structure would therefore be retained with the removal and reconstruction of the façade. There would be an uplift of 9,682sqm additional floorspace (GIA). The building would be 5.8m taller in height than the existing building. The proposal also includes:
- flexible retail uses (Classes A1/A3)
 - terraces for the offices, including accessible terraces at 5th, 7th, 8th, 9th and 10 floors
 - a new public route at ground floor level which would connect Caxton Walk and New Compton Street,

- a relocated office entrance from Shaftesbury Avenue to Charing Cross Road
- rooftop plant and, along with associated highway, landscaping and public realm improvements.



Figure 4 – Proposed site plan

2.2 All of the proposed works are limited to within the site boundary. The applicant has produced some images showing highways works, which are for indicative purposes only and should not be considered as part of this application. A pedestrian, cyclist and environmental contribution (pce) would be secured to pay for environmental improvements in the area, though it should be noted that the Council would design and implement these. These amendments would be carried out under highways legislation with consultation where necessary.

3 RELEVANT HISTORY

The site

- 3.1 03/05/1978 – Permission granted for existing building; *“The area shown on the site plan submitted, including 125-133 Shaftesbury Avenue and land at rear, 6 and 7 New Compton Street, 96-102 Charing Cross Road, the existing car park site to the north of New Compton Street and on either side of Stacey Street and part of the playground in the curtilage of St Giles in the Fields.”* P13/36X/A/26208.
- 3.2 14/05/1986 – Permission granted for Unit 5 of 125 Shaftesbury Avenue for *“Use as a dry cleaners.”* 8600609.

- 3.3 14/03/2002 – Permission granted for “The refurbishment of the existing ground floor offices including the provision of full height glazing and a stainless steel canopy”. PSX0204122.
- 3.4 27/10/2016 – “*Request for EIA Screening Opinion in relation to emerging development for the remodelling, refurbishment and extension of existing office building (Class B1) at upper floor levels, roof level and within lightwells to provide and flexible retail uses (Classes A1/A3), along with associated highway, landscaping and public realm improvements*” – EIA not required. 2016/3808/P
- 3.5 There have also been numerous applications for air condition plant, satellite dishes, telecoms equipment and shopfronts.

The Tybald’s Estate

- 3.6 This site is a likely benefactor site of the offsite housing contribution (see ‘*Viability and affordable housing*’ below)
- 3.7 28/03/2013 - Permission granted for ‘*Mixed use development to provide 93 mixed tenure residential units (Class C3), alterations to existing dwellings and entrances, 249sqm of new/replacement community facilities (Class D1) an energy centre, refuse, cycle and caretakers facilities and associated landscape and public realm improvement works. The provision of a new internal access road and the reorganisation of car parking within the site and the surrounding area.*’ 2013/1014/P.

4 CONSULTATION SUMMARY

STATUTORY

4.1 City of Westminster

The City Council raises no objection on balance. However, it considers that the scheme could be improved if the massing, and its visual impact in views from Soho, along Old Compton Street in particular, was reduced further.

Officer’s response: See sections on Conservation and Design.

4.2 Covent Garden Community Association

- Does not object to scheme in general but has concerns that should be addressed before permission is granted (see below)
- Lack of affordable housing on-site, contrary to policy DP1
- Impact on privacy with overlooking from external walkways/terraces
- Noise and disturbance from terraces and walkways
- Use of terraces should be conditioned to no later than 21:00 Monday to Friday, and not at all on weekends and Bank Holidays).
- Sustainability; the proposals should aim for zero-carbon build and should use bright surfaces to direct light to shaded areas
- Impact of Class A3 uses on residents in terms of noise, east end of Phoenix Street should be A1 only and that hours of use should be restricted to 08:00-22:00 on Monday to Saturday and 10:00-20:00 on Sunday

- The other A3 units in the development should have their hours of use restricted to 08:00-23:30 on all days of the week.
- Concerns regarding predicting servicing trips being underrated, comparison locations are not all relevant due to age of survey data and location
- Waste management plan is too vague, the amount of waste has not been fully calculated
- Servicing route passes residential premises; congestion and pollution
- Servicing conditions should be attached requiring;
 - all servicing takes place within the development (basement and ground floor area) and not from the street
 - servicing trips should be capped at 50 per day
 - restrict the hours of deliveries and collections to be 08:00-20:00 on all days
 - Require the Applicant to calculate the amount of waste to be generated and how this will be stored inside the premises and collected.
 - Require that any use in the development which produces glass waste (including but not limited to A3 use) installs glass crushing equipment, or has access to a glass crusher to ensure that the volume of glass waste generated, and the noise associated with its collection, are minimised.

Officer's response: See sections on Mixed use policy and residential use, Viability and affordable housing, Impact on neighbouring amenity, Sustainable design and construction and Transport, a condition on bottle crushing is not considered necessary given that there is not a substantial amount on Class A3 use on site and officers consider this would not arise as an amenity issue.

4.3 Bloomsbury Conservation Area Advisory Committee

Strongly object on the following grounds:

- Bulk and height, particularly from Cambridge Circus
- Predominant materials on Shaftesbury Avenue are brick, stone and terracotta, horizontal emphasis, light colouring existing design whilst 'grim' fits in reasonably well, proposal would not blend in
- Welcome restoration of route through but do not feel this justifies bulk and height

Officer's response: See sections on Conservation, Design, Proposed through route.

4.4 Transport for London (TfL)

- The site is located on Shaftesbury Avenue which is part of the Strategic Road Network for which TfL have an oversight duty of the Traffic Management Act
- Raised concerns regarding number of cycle parking spaces, types of rack, conflict between servicing vehicles and cyclists
- Welcomes reduction in car parking, preference is for car-free development
- Given the highly accessible location TfL would not seek Blue Badge parking if this ensured that in the future at least the development was car free.
- Trip generation; the approach is welcomed, however clarification of figures requested
- Delivery and Servicing Plan should be secured
- A Travel Plan should be provided for each use

Officer's response: See section on Transport.

Adjoining Occupiers

<i>Number of letters sent</i>	43
<i>Total number of responses received</i>	12
<i>Number in support</i>	5
<i>Number of objections</i>	7

- 4.5 A site notice was displayed from the 30th of September until the 21st of October 2016. A press advert was placed on the 30th of September 2016 in the Camden New Journal.

Representations summary

- 4.6 7 objections were received from neighbouring residents and on behalf of a neighbouring commercial occupier on the following grounds:

Amenity impact

- Loss of light to Trentishoe Mansions (30% loss in main rooms), reduction in visible sky, developers have delayed getting figures to the residents, should be no additional floors, light was already lost to these properties in the 80s when existing building was built, impact on health, flat will become a 'box inside a tunnel'
- Overlooking from external walkway to Trentishoe Mansions, should be placed on other side of building
- Failure of developer to provide exact light figures
- No wider social benefits to justify loss of light
- Concerns regarding assumptions of daylight/sunlight report
- Overbearing impact from building on open area at rear
- Noise
- Dust and dirt
- Encouragement of rodents

Officer's response: See sections on Impact on neighbouring amenity, Conclusion, the proposal is not considered to encourage rodents.

Proposed through route

- The proposed walkway should not be closed at night as being open will discourage drug addicts and homeless people
- The proposed walkway should be closed at night to prevent noisy nocturnal activity, could attract drug users, homeless, drunks

Officer's response: See section on Proposed through route, Impact on neighbouring amenity.

Conservation and design

- Whilst not of particular architectural merit, the building is of its time
- Impact on setting of Denmark Street Conservation Area, failure to take account of important heritage assets

Officer's response: See sections on Conservation and Design.

Affordable housing

- No affordable housing proposed

Officer's response: See section on - Viability and affordable housing.

Open space

- Loss of open space at Phoenix/Street Stacey Street

Officer's response: See section on Landscaping and trees.

Consultation

- Not informed of proposal by developer until application was submitted
- Did not receive e-alert of application

Officer's response: Officers are satisfied that there has been sufficient public consultation on the proposals at both pre-application stage and application stage. Letters were sent out, site notices were erected and a press notice was published.

- 4.7 The following objection was submitted on behalf of the Phoenix Theatre (located to the north of the site on Phoenix Street), however following negotiations with the applicant, the objection has been withdrawn.

Acoustic Report, noise and CMP

- Impact on running of the theatre, rehearsals or performances, sometimes happen during day, impact from construction works, impact on theatre offices
- Theatre is not mentioned in acoustic report, design and access statement, CMP, Planning Statement, theatre is noise sensitive but is not identified as a noise sensitive receptor
- CMP should address noise issues to theatre, location of crane should be specified

Servicing and deliveries

- Concerns given narrow, constrained one-way streets
- Impact on theatre's operations
- Phoenix Theatre's servicing strategy should be incorporated into transport Assessment and CMP

Daylight and sunlight

- Loss of light to theatre offices, overshadowing, sense of enclosure

Land use

- Noise and disruption from proposed restaurants

Conditions

- The following conditions are requested/requests are made:
 - Applicant should be in direct contact with Ambassadors Theatre Group (ATG) to discuss hours of demolition and construction noise
 - Mitigation measures in CMP are adhered to
 - The applicant discusses hours of collection and deliveries with the ATG
 - The delivery strategy acknowledges existing servicing arrangements
 - The retail/restaurant entrance is retained along Stacey Street, not Phoenix Street and the entrance on to Phoenix Street is not used by customers
 - Transport officers should review the construction arrangements for the development at 104-110 Charing Cross Road (2016/5190/P) as well as this application to ensure the deliveries and servicing of theatre are unaffected

Officer's response: Objection has been withdrawn following discussions between the applicant and the theatre. Section 106 obligations and conditions are recommended to mitigate against any construction impacts.

- 4.8 5 letters of support were received from neighbouring residents, the Odeon Cinema (next door on Shaftesbury Avenue), Bee Midtown Business Improvement District and Shaftesbury plc. on the following grounds:
- Removal of unwanted rubbish caused by vagrants and drug addicts, reduce anti-social behaviour
 - Present building is 'dark, lumpen and brooding', new building would lighten, create variety, will improve look of existing building, proposal is visually better, would enhance Shaftesbury Avenue, attractive façade,
 - Existing building provides poor quality office and retail space, early 1980's building is outdated and does not suit modern office needs, proposal will provide much-needed modern office space, enhancement of commercial viability, commercial enhancement to Shaftesbury Avenue, large modern office is welcomed, will generate additional footfall
 - Enhancements to public realm, reinstatement of the link to Old Compton Street is a substantial gain to area, positive changes will be brought to area, existing building contributes little to streetscene
 - Added height is acceptable price to pay for improvements

5 POLICIES & Guidance

5.1 National Planning Policy Framework 2012

5.2 NPPG

5.3 The London Plan 2016

5.4 Mayor's Supplementary Planning Guidance

5.5 LDF Core Strategy and Development Policies 2010

LDF Core Strategy

CS1 Distribution of growth

CS3 Other highly accessible areas

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

CS15 Protecting and Improving our Parks and Open Spaces & encouraging biodiversity

CS16 Improving Camden's health and wellbeing

CS17 Making Camden a safer place

CS18 Dealing with our waste and encouraging recycling

LDF Development Policies

DP1 Mixed use development

DP2 Making full use of Camden's capacity for housing

DP3 Contributions to the supply of affordable housing

DP5 Homes of different sizes

DP6 Lifetimes homes and wheelchair housing

DP10 Helping and promoting small and independent shops
DP12 Supporting strong centres and managing the impact of food, drink, entertainment and other town centre uses
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
DP25 Conserving Camden's heritage
DP26 Managing the impact of development on occupiers and neighbours
DP27 Basements and lightwells
DP28 Noise and vibration
DP29 Improving access
DP31 Provision of, and improvements to, open space and outdoor sport and recreation facilities
DP32 Air quality and Camden's Clear Zone

5.6 Supplementary Planning Policies

Camden Planning Guidance (2013)

CPG 1 Design
CPG 2 Housing
CPG 3 Sustainability
CPG 4 Basements and lightwells
CPG 5 Town centres, retail and employment
CPG 6 Amenity
CPG 7 Transport
CPG 8 Planning obligations

5.7 Camden Local Plan

The emerging Local Plan is reaching the final stages of its public examination. Consultation on proposed modifications to the Submission Draft Local Plan began on 30 January and ended on 13 March 2017. The modifications have been proposed in response to Inspector's comments during the examination and seek to ensure that the Inspector can find the plan 'sound' subject to the modifications being made to the Plan. The Local Plan at this stage is a material consideration in decision making, but pending publication of the Inspector's report into the examination only has limited weight.

Policy G1 Delivery and location of growth
Policy H1 Maximising housing supply
Policy H2 Maximising the supply of self-contained housing from mixed-use schemes
Policy H4 Maximising the supply of affordable housing
Policy H5 Protecting and improving affordable housing
Policy H6 Housing choice and mix
Policy H7 Large and small homes
Policy C4 Safety and security

- Policy C5 Access for all
- Policy A1 Managing the impact of development
- Policy A2 Provision and enhancement of open space
- Policy A3 Protection, enhancement and management of biodiversity
- Policy A4 Noise and vibration
- Policy A5 Basements and lightwells
- Policy D1 Design
- Policy D2 Heritage
- Policy CC1 Climate change mitigation
- Policy CC2 Adapting to climate change
- Policy CC3 Water and flooding
- Policy CC4 Air quality
- Policy CC5 Waste
- Policy T1 Prioritising walking, cycling and public transport
- Policy T2 Car-free development and limiting the availability of parking.
- Policy T3 Improving strategic transport infrastructure
- Policy T4 Promoting the sustainable movement of goods and materials

ASSESSMENT

The principal considerations material to the determination of this application are considered in the following sections of this report:

6	<p>Land use</p> <ul style="list-style-type: none"> - Existing office accommodation - Increase in office floorspace - Mixed use policy and residential use - Viability and affordable housing - Class A uses (A1 retail and A3 food and drink) - Conclusion; land use principles
7	<p>Conservation</p> <ul style="list-style-type: none"> - Setting of Conservation Areas <ul style="list-style-type: none"> o Seven Dials Conservation Area o Denmark Street Conservation Area <ul style="list-style-type: none"> ▪ Charing Cross Road ▪ Stacey Street/New Compton Street/Phoenix Gardens - Setting of listed buildings <ul style="list-style-type: none"> o Phoenix Theatre on Charing Cross Road o Odeon Cinema on Shaftesbury Avenue# o St Giles in the Fields Church and Garden - Conclusion; conservation
8	<p>Design</p> <ul style="list-style-type: none"> - Policy review - Site and surroundings - Existing building - Proposal - Ground floor layout - Height and form - Detailed design

	<ul style="list-style-type: none"> - Conclusion
9	Landscaping and trees <ul style="list-style-type: none"> - Policy review - Designations - Landscaping and public realm - Proposed through route - Trees - Conclusion
10	Impact on neighbouring amenity <ul style="list-style-type: none"> - Policy review - Daylight and sunlight - Overlooking - Noise and disturbance - Conclusion
11	Air quality
12	Sustainable design and construction <ul style="list-style-type: none"> - Policy review - The site and the proposal - Energy and sustainability
13	Flood risk and drainage
14	Nature conservation and biodiversity
15	Accessibility
16	Transport <ul style="list-style-type: none"> - Policy review - The site - Travel plans - Cycle parking - Pedestrian movement through the site and public rights of way - Management of construction impacts on the public highway in the local area - Deliveries & servicing and onsite parking - Pedestrian, cycling, environmental and public realm improvements - Conclusion
17	Safety and security
18	Refuse and recycling
19	Employment and training opportunities
20	Planning obligations

21	Mayor of London's Crossrail CIL
22	Camden CIL
23	Conclusion
24	Recommendations
25	Legal comments
26	Conditions
27	Informatives

6 Land use

6.1 The principal land use considerations are as follows;

- Existing office accommodation
- Increase in office use
- Mixed use policy and residential use
- Viability and affordable housing
- Class A uses (A1 retail and A3 food and drink)
- Conclusion; land use principles

Existing office accommodation

6.2 The existing building was granted permission in 1978 and the office accommodation therefore dates from the late 1970s/early 1980s. The existing accommodation is not well-suited to modern office needs in terms of floor heights, plan form and flexibility.

Increase in office floorspace

- 6.3 Policy CS8 (Promoting a successful and inclusive Camden), policy D13 (Employment sites and premises) and CPG5 (Town Centres, Retail and Employment) are relevant with regards to employment uses such as offices (Class B1). The site is located within the Central Activities Zone.
- 6.4 Under the proposals there would be an increase in office use from 18,830.4sqm to 28,513.3 (an increase of 9,682.9sqm). The applicant estimates that the proposal would provide an additional 1,000 jobs on site.
- 6.5 The above policies support the provision of office use, provided other priority uses are provided (see 'Mixed use policy and residential use' section below). The proposed increase in office use is welcomed. The above policies require new employment space to be suitable for a range of business types and sizes including new businesses and small/medium enterprises (SME's).
- 6.6 Whilst the majority of the existing floorspace is occupied, it is acknowledged that the premises could be made more suitable for modern office needs. The proposed office floorspace would be flexible and more suitable for SME's. It is estimated that the proposed development would provide 1,940 jobs, which is an additional

1,000 over the current number of employees. The Council's Economic Development section has been consulted on the application and support it subject to section 106 obligations on local employment, apprenticeships and work placement opportunities, local procurement and an employment and training contribution of £259,529 which has been calculated in line with CPG8 (Planning Obligations).

- 6.7 Given the significant employment benefits and the above obligations, the proposed increase in office use is welcomed, subject to the mixed use policy discussed below.

Mixed use policy and residential use

Introduction

- 6.8 Policy DP1 requires a mix of uses in new developments, including a contribution to the supply of housing. Within the Central London Area, where more than 200sqm of additional floorspace is provided, 50% is required to be housing. The Council will require any secondary uses to be provided on site, particularly where 1,000sqm (gross) of additional floorspace or more is proposed (see *On-site housing* below). Where inclusion of a secondary use is appropriate for the area and cannot practically be achieved on the site, the Council may accept a contribution to the mix of uses elsewhere in the area (see *Off-site housing* below), or exceptionally a payment-in-lieu (see *Payment-in-lieu* below). Policy DP3 outlines a sliding scale for the amount of affordable housing required. The proposal is assessed against this cascade approach below.
- 6.9 Under the proposals there would be an uplift of 8,138.6sqm (GEA).
- 6.10 Following discussion with Council officers, the applicant proposes an off-site financial contribution (payment-in-lieu) as opposed to on-site provision or off-site provision (in terms of floorspace). The applicant is proposing an off-site financial contribution of £2.1M. The proposed payment-in-lieu (PiL) option is assessed against DP1 below.

On-site housing

- 6.11 The applicant has produced a Housing Study which assesses the possibilities and constraints of providing housing on-site. This study assesses different scenarios as discussed with the Council, including housing on the Shaftesbury Avenue side, on the upper floors, on the Charing Cross Road side and on Caxton Walk. Officers accept that the proposal has the following constraints to providing adequate residential accommodation:
- The proposal is a remodelling/refurbishment of the existing building, which restricts development possibilities
 - Most flats would need to be single aspect given the layout of the existing building and the depth of the floorplates, the existing floorplates were designed for office use and it would be difficult to create flats with an acceptable level of amenity
 - Much of the building edge faces north-west or north-east and so the only parts of the site that could be suitable for residential are on the southern, western and eastern sides
 - New residential could not be introduced on to Caxton Walk given the narrow separation distances with existing residential which would result in overlooking issues to the existing residential properties on Caxton Walk

- The provision of residential on the western, eastern or southern sides of the building would impact on the usability of the proposed offices as they would lose windows along that side
- Residential use in the same building would require a separate core which would result in a significant loss of floorspace on the site, a poor ratio of usable floorspace to core and a subsequent reduction in the overall viability of the scheme.

6.12 Further to the above points, BPS (the Council's independent viability assessor) has looked at the commercial viability of a residential/commercial mixed use scheme and concluded that the submitted Housing Study comprehensively demonstrates that it is commercially unfeasible to incorporate private housing and/or affordable housing on-site.

6.13 Given the above, officers accept that the amenity of flats provided in the development would not be good in terms of aspect, daylight and sunlight and that it would not be possible for residential accommodation on the site to meet London Housing Design Guide standards and that the provision of residential on-site would not be the best use of floorspace. It is considered that the applicant has provided clear evidence that it would be more appropriate to not provide the residential floorspace on-site in this instance, in line with Policy DP1.

Off-site housing

6.14 The second part of the cascade in Policy DP1 requires the provision of off-site housing. The policy requires that an applicant carry out a search for a potential donor site with the option of a payment in lieu as an alternative only being considered acceptable in 'exceptional circumstances'. In this case officers have given consideration to the desirability of securing off site housing versus a payment in lieu which could contribute towards the provision of affordable housing on schemes which are expected to come forward in the immediate area. Officers in the planning and housing sections have considered the options and feel that a financial contribution towards the delivery of affordable housing in the Holborn and Covent Garden Ward would be preferable in terms of contributing towards key council objectives to deliver estate regeneration schemes and achieve mixed and balanced communities. Officers consider that a contribution towards such schemes warrants 'exceptional circumstances' in this instance. Tybald's (see history) has been identified as a potential recipient for this contribution, there is an extant permission for development and although it is unlikely that this will be progressed estate regeneration at Tybalds remains a priority and it is expected that alternative proposals will be brought forward in due course. The site is within the Holborn and Covent Garden Ward. This approach is considered the optimum for the delivery of affordable housing in the area. To enable some flexibility, it is recommended that the section 106 includes a cascade setting out how the contribution should be spent, this would ensure that if the contribution did not go towards the specified donor site, it could be spent elsewhere in the vicinity. Unspent funds are at risk of being handed back to a developer after a 5 year period. The proposed cascade for this obligation is as follows:

- on the Tybald's estate scheme
- within Holborn and Covent Garden ward
- south of Euston Road.

Financial contribution

- 6.1 In terms of the financial contribution towards the provision of off-site affordable housing, the proposed uplift of 8,138.6sqm (GIA) would require a payment of £5,493,555 to be policy compliant (8,138.6sqm x 50% = 4069.3sqm, 4069.3sqm x £1,350 = £5,493,555). The applicant has advised that the scheme cannot meet this requirement and that the maximum contribution which could be made is £2.1M.

Viability and affordable housing

- 6.2 As stated above, the financial contribution requirement in line with policy is £5,493,555. The submitted viability report shows that the proposed development is in deficit and that the applicant cannot provide the policy-compliant contribution. This report has been independently assessed by a viability expert (BPS) for the Council, in conjunction with Wright and Partners who undertook valuations with regards the office floorspace. The independent assessment carried out has confirmed that it would not be justified to request a greater amount than this figure.
- 6.3 Residual valuations are highly sensitive to changes in costs and values over time, therefore BPS recommend that the Council considers seeking agreement to a deferred contributions mechanism, based on outturn costs and values, so that if improvements in viability result in a profit surplus being generated, this can trigger the payment of additional housing and affordable housing contributions. A head of term is therefore recommended accordingly.
- 6.4 A redacted version of BPS' viability assessment is attached as an appendix.

Class A uses (A1 retail and A3 food and drink)

- 6.5 Core Strategy policy CS7 (Promoting Camden's centres and shops and Camden Planning Guidance 5 (Town Centres, Retail and Employment) are relevant with regards to Class A uses.
- 6.6 The entire site is within the Central Activities Zone. The south-western side of the site is located within a Central London Frontage (secondary frontage) as defined by policy CS7. Planning permission for development for food, drink and entertainment uses may be granted in this area, provided development does not result in a harmful concentration or cause harm to amenity, and does not result in a reduction in retail uses to less than two thirds (66%) of uses on the frontage.
- 6.7 There are currently 3,646.2sqm Class A1 retail use on the site and also a drycleaners covering 70.4sqm. These retail units are located on the Charing Cross Road, Shaftesbury Avenue and Phoenix Street elevations. Under the proposals, the amount of Class A1 retail would be reduced to 2,245.7sqm flexible A1/A3.
- 6.8 Under the proposals, the main office entrance would be relocated on to Charing Cross Road (from Shaftesbury Avenue). The existing retail unit within the Central London Frontage would be retained, to the north of the entrance and there would therefore be no loss of Class A1 use within the frontage (this floorspace would not be flexible A1/A3 but would be A1 only). The office frontage would still provide active frontage to the street on Charing Cross Road.

6.9 Whilst there is a loss of 1,474sqm retail use under the proposals, 1,265.66sqm of this space is in the basement. This basement retail space was originally constructed in the 1980's as a mall, which was later removed. The majority of this space is used for storage and plant and is under-utilised. The existing basement retail floorspace has very low floor to ceiling heights and is less-suited to modern retail requirements. There is also a loss of some retail frontage due to the proposed route through. The proposed retail space would be modern and high-quality.

Use Class	Existing GIA (sqm)	Proposed GIA (sqm)	Net additional GIA (sqm)
A1	3,646.2	153	-3,493.2
A3	226.4	0	-226.4
Flexible A1/A3	0	2,245.7	+2,245.7
Sui Generis (drycleaners)	70.4	0	-70.4
Total	3,872.6	2,398.7	-1,544.3

Conclusion; land use principles

6.10 Under the proposals there would be a significant increase in office floorspace that would be suited to modern needs, flexible, suitable for SME's and accessible. The proposals would result in a substantial increase in employment on the site to the benefit of the local economy.

6.11 Officers accept that it is not viable to provide residential on site, but consider the off-site contribution a significant benefit to local housing projects which would contribute towards the delivery of affordable housing in the area.

6.12 The proposal features active frontages and Class A uses which would support the function of the CAZ and the Central London frontage.

6.13 Given the above, the proposed land use mix is considered acceptable as it would provide significant employment and economic benefits, as well as contributing towards affordable housing and the vitality of the area.

7 Conservation

7.1 The principal conservation issues are as follows;

- Setting of Conservation Areas
- Setting of listed buildings
- Conclusion; conservation

Setting of Conservation Areas (CA)

7.2 The site is not within a conservation area. However policy DP25 states that "In order to maintain the character of Camden's conservation areas, the Council will not permit development outside of a conservation area that causes harm to the character and appearance of that conservation area."

7.3 The site is seen from 5 sides: Charing Cross Road; Shaftesbury Avenue; Cambridge Circus; Stacey Street and in long range views. The scheme has been broken into a series of 3 entwined blocks, with each facade of each element

designed to respond to the specific characteristic of its respective context whilst retaining a harmony as a whole. Each block broadly relates to the conservation areas and their specific character or sub character.

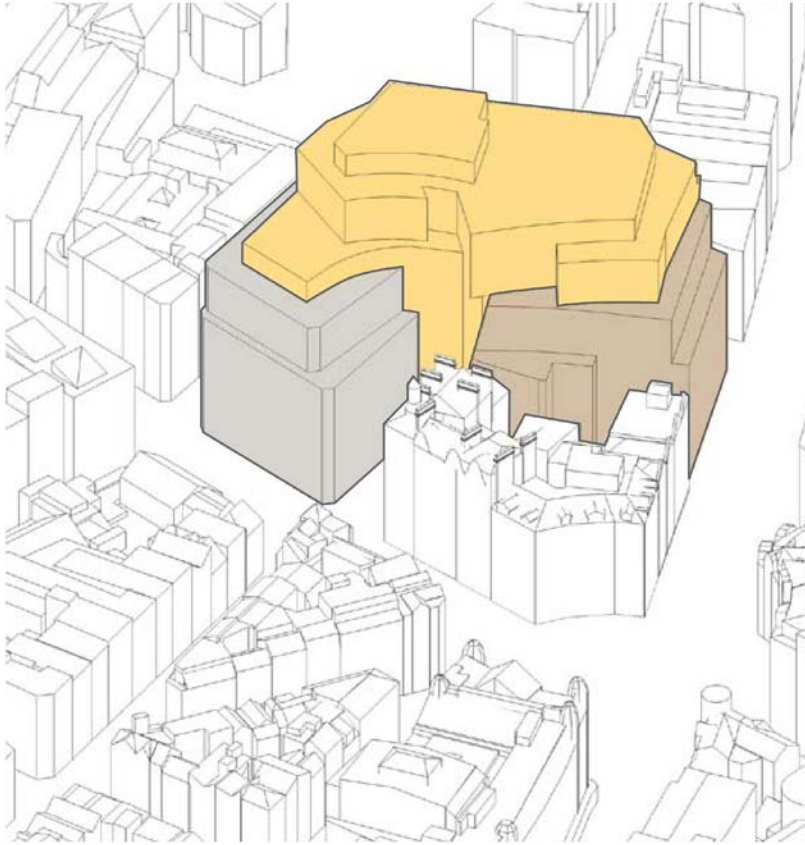


Figure 5. Proposed massing – ‘3 entwined blocks’

Seven Dials Conservation Area

- 7.4 The Seven Dials Conservation Area adjoins the site to the south-east and has an impact on the setting of Shaftesbury Avenue and Cambridge Circus which fall within the Seven Dials CA.
- 7.5 The special character of the Conservation Area is found in the range and mix of building types and uses. Its location in Central London means it is surrounded by large commercial buildings and in this regard the redevelopment is not considered to harm the setting of the CA as a whole.
- 7.6 However the development would have an impact on Shaftesbury Avenue and Cambridge Circus which form prominent and important streets in the CA. They form an established pattern of planned streetscape in their own right and require further consideration. Both Shaftesbury Avenue and Cambridge Circus are within sub area 1 of the CA.
- 7.7 Shaftesbury Avenue and the north east corner of Cambridge Circus were formed by the Metropolitan Board of Works in the 1880s by widening the existing street. The urban block defined by these streets predominantly includes late Victorian mansions on Cambridge Circus and along this section of Shaftesbury Avenue. The Shaftesbury Avenue façade has been designed to respond to the scale and character of the mansion block found on the street. It has a level of detail and

robustness which allows it to relate comfortably with this typology of building and as such respond positively to the character and appearance of the CA. The lighter coloured façade helps reflect light and improve the street level environment which is affected by the dense canopy of the London Plane Trees.



Figure 6. Existing and proposed view from Shaftesbury Avenue

- 7.8 Cambridge Circus is a high quality and attractive piece of historic townscape which deserves careful consideration for which great weight and importance should be given. Officers have carefully considered the proposal in all aspects but with particular regard to its impact from the Circus. At present the site's red brick office building is seen in the backdrop of views from the Circus. However, the building is only partially seen above the roof of the north side of the Circus and the dark red brick reduces its presence. Pevsner describes the current arrangements as, "The site's red brick office building is seen in the backdrop of views from the Circus. However, the impact of this building and other tall buildings in the area is reduced by the sense of containment provided by the larger of the red brick, terracotta and stone concave fronted circus buildings."



Figure 7. Existing and proposed view from Cambridge Circus

- 7.9 With this in mind the proposed development has been designed to respond to the form of the Circus. The curvature to the galleried levels echoes that of the Circus buildings and seeks to respond to the planned and distinct geometry of the Circus.

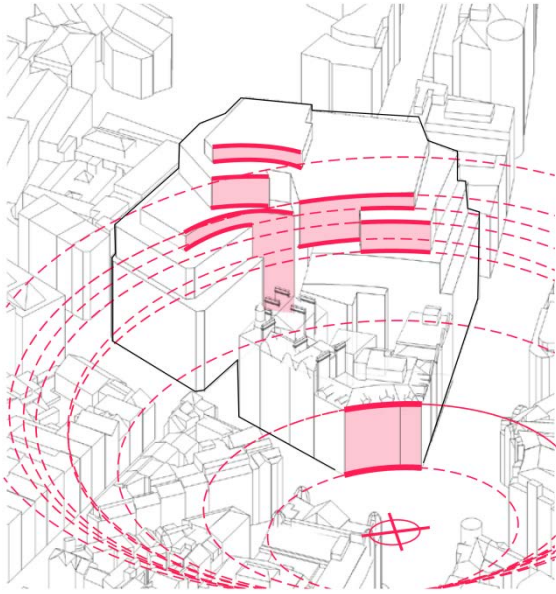


Figure 8. Diagram demonstrating relationship with Cambridge Circus

7.10 The top levels of the scheme are also designed to be read as a distinct element from the lower buildings and are identifiable as a commercial building set behind and away from the circus, and seen in the context of other commercial buildings appearing behind the Circus toward the north. The modelling of these upper storeys and the neutral tone of the materials lend these levels a recessive quality that would ensure that the Circus buildings remain the focus of the view. Roof plant is concealed behind a designed enclosure that caps the building. The calm and ordered design and light tone is considered to be as neutral a back drop as the current dark brickwork and would not detract from the character and appearance of the circus as a whole seen in 360 degrees.

Denmark Street Conservation Area

7.11 The Denmark Street Conservation Area is located to the north of the site (on the other side of Phoenix Street). Denmark Street CA occupies a relatively small area of land, yet it has great diversity in appearance, an interesting mix of uses, and a character and appearance which have been shaped by the development of the land from the C12th. The development would affect the character of Charing Cross Road to the west and been seen from New Compton Street Phoenix Garden and Stacey Street to the north of the site.

Charing Cross Road

7.12 Charing Cross road forms its boundary to the west. The width of Charing Cross Road and large scale of its commercial buildings lend it a character noticeably different to the secondary streets in this area. Having been widened and realigned in the 1880s, there are no buildings on Charing Cross Road that pre-date this time.

7.13 The proposal would retain a common scale and architectural language with the commercial buildings on the street, preserving its character. The upper floors are designed to have a different character, appearing as a separate element behind the Charing Cross Road block. This reduces the perception of scale and allows the Charing Cross Road frontage to relate to its immediate character.



Figure 9. Existing and proposed view north up Charing Cross Road.

Stacey Street/New Compton Street/Phoenix Gardens

7.14 Bomb damage led to the demolition of properties on most of Stacey Street and part of Phoenix Street. On New Compton Street the C18th terraced houses which formerly lined both sides of the street were demolished in the 1960s and have been replaced by two blocks of flats. The CA statement confirms “the scale and materials of which do not contribute to the character or appearance of the CA or the setting of St Giles Churchyard.

7.15 The street layout is of historic significance but the streets to the north of the site have a rather ‘back of house’ feel, particularly as the ground floor treatment of the rear entrances to the commercial buildings on Shaftesbury Avenue provide little opportunity for natural surveillance and discourage pedestrian flow, creating an inactive environment.

7.16 The proposal would provide a more enlivened and responsive set of facades facing this part of the conservation area. The development would provide a vista along New Compton Street which frames the street and creates a legible frontage to the new passage which in itself would add to the medieval street pattern which is a significant part of the area’s character.



Figure 10. Existing and proposed view from Stacey Street

Setting of listed buildings

7.17 Figure 2 shows a map of the listed buildings surrounding the application site. The listed buildings whose setting is considered to be affected by the proposal are:

- 1 Grade II listed Phoenix Theatre on Charing Cross Road
- 2 Odeon Cinema (former Saville Theatre) grade II Shaftesbury Avenue
- 3 Church and Garden of St Giles-In-The-Fields

7.18 The setting of other listed buildings in close proximity to the site are not considered to be affected by the proposals due to the scale of the work and distance from the site.

Phoenix Theatre on Charing Cross Road

7.19 At present the setting of this building is comprised of close-knit buildings to either side along Phoenix Street and particularly the narrow Flitcroft Street and with the development along the wider but also densely developed Charing Cross Road also contributing to the urban environment in which the building is experienced externally. The proposed development is not considered to unduly change the dense urban environment in which the building is experienced and therefore not considered to harm its setting.

7.20 Phoenix House (adjoining the theatre to the south) is taller than the theatre, as are other buildings to the north of Flitcroft Street and on the southern side of Phoenix Street. This existing change in height is not considered to harm the interest of the theatre building

Odeon Cinema on Shaftesbury Avenue

7.21 As can be seen from Figure 11, the scale and form of the existing building is already greater than that of the cinema. The proposed scale would increase adjacent to the this building, but the cinema's strict geometric form and diminutive scale along with its intricate frieze allows the listed building to stand proud in the streetscene even amongst taller buildings. For this reason no harm is considered to be caused to the setting of the listed building.



Figure 11. Existing view of the site looking south-west along Shaftesbury Avenue with the Odeon Cinema in the foreground



Figure 12. Proposed view looking south-west along Shaftesbury Avenue with the Odeon Cinema in the foreground

St Giles in the Fields Church and Garden

7.22 The grade I listed Church of St Giles-in-the-Fields and its associated gardens are of great significance and great weight are given to its preservation. In this instance the current office block is prominent in views from the gardens along with 20th century blocks of flats which frame the left side of the image. The church is already surrounded by taller building and large scale development such as Centre Point and the Central St Giles development.

7.23 The proposed development would remain prominent in views from the garden but the layering of each element breaks down the mass and would not be detrimental in the context of the existing development which already surrounds the church and gardens. Therefore, no harm is caused to the setting in this regard.

Conclusion

7.24 In conclusion the development is outside of a conservation area but would be present in views from the Seven Dials and Denmark Street CA as well as forming part of the context of a number of listed building which surround the site.

7.25 The development has been carefully modulated and the facades treated to respect and respond to its differing contexts and would not cause harm to the setting of the heritage assets.

7.26 The development is considered to comply with the section 66 of the planning (listed building and conservation area 1990) Act; Section 12 of the NPPF; Policy Dp25 and guidance set out in the Denmark Street and Seven Dials Conservation Area Management Strategy.

8 Design

8.1 The Design considerations are follows:

- Policy review
- Site and surroundings
- Existing building
- Proposal
- Ground floor layout
- Height and form
- Detailed design
- Conclusion

Policy review

- 8.2 London Plan policies 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7, policies CS14, DP24, DP25 and CPG1 (Design) are relevant with regards to design.

Site and Surroundings

- 8.3 The site is located towards the southern end of the triangle shaped area of St Giles, which is bounded by Charing Cross Road and Shaftesbury Avenue, 2 roads which were widened in the C19th and cross at Cambridge Circus. The site fronts onto both Charing Cross Road and Shaftesbury Avenue, along with the narrower Stacey Street and Phoenix Street. The borough boundary with the City of Westminster runs down the centre of Charing Cross Road. The open space of Phoenix Gardens lies beyond Stacey Street. The site surrounds the cul-de-sac, Caxton Walk, a truncated remnant of New Compton Street which historically continued through to the remaining New Compton Street beyond to the east.
- 8.4 The site is not in a conservation area and does not contain heritage assets, but is surrounded on all sides by assets. To the north is Denmark Street CA and to the south and east is Seven Dials CA. To the west is Westminster's Soho CA. All 3 CAs have a large coverage of listed buildings and positive contributors. In close proximity to the site, the neighbouring Odeon cinema on Shaftesbury Ave is listed, as is the Phoenix Theatre on Phoenix Street. The grade I listed St Giles Church sits within its own churchyard which forms a continuation of Phoenix Gardens. In Westminster there are listed terrace houses at the Charing Cross Road end of Old Compton Street. The group of buildings fronting Cambridge Circus and returning up Caxton Walk and Shaftesbury Ave are positive contributors, as are most of the buildings along the east side of Shaftesbury Avenue. The east side of Charing Cross road also has positive contributors around the junctions with Flitcroft Street and Denmark Street.
- 8.5 The Denmark Street CA Appraisal notes that there is '*no particular consistency of building age, type or design*' along its section of Charing Cross Road and the Survey of London states that a general level of mediocrity prevails. The buildings of most note are the richly modelled and detailed Sheldon Mansions (126-136) and 122-124 which frame the gateway to Denmark Street.
- 8.6 The Appraisal also notes that while the alignment of New Compton Street is of historic significance, being laid out as an extension to Old Compton Street in 1671, '*the street as a whole has a rather 'back of house' feel, particularly as the ground floor treatment of the rear entrances to the commercial buildings on Shaftesbury Avenue, with ventilation grilles, fire exits and vehicular access does not provide a sympathetic setting to the CA, providing little opportunity for natural surveillance and discouraging pedestrian flow, and creating an inactive*

environment. The same statement can be applied to the Stacey Street frontage of the proposal site.

- 8.7 The Seven Dials CA Appraisal notes that in the 1880's Shaftesbury Avenue '*became an important central London Avenue with a distinctive scale of buildings and use of materials, dominated by red brick and the use of terracotta*'. This character remains today on the east side which is located in the CA. However the west side, outside of the CA, has seen greater change and has much more of the varied character of Charing Cross Road as described above. The most significant building on the street is the listed Odeon Cinema which is composed of a two-storey, Portland stone base with brown brick façade above. 119 Shaftesbury Ave, which is next to the site, is a Victorian building mostly faced in light terracotta, moulded and detailed as if stone.
- 8.8 The existing building is located within a very tightly grained part of town with roads that meander slightly. Direct vista views down streets towards the site are limited, they occur from the City of Westminster, along Old Compton Street and Romilly Street, and in Camden from New Compton Street. The upper parts of the building can also be seen from Cambridge Circus over foreground buildings, again from within Westminster and from Tower Street, in Camden. However, the widest views of the site are from Phoenix Gardens, where the full mass of the existing building is apparent.
- 8.9 Seven Dials CA Appraisal notes that the views along streets radiating from and to the dial and views along Shaftesbury Ave towards Cambridge Circus are some of the most significant local views.

Existing Building

- 8.10 The existing building was built in the early 1980's. It is formed of street-fronting blocks of 6 - 7 storeys which give way to upper storeys of a cruciform plan, which step back at each floor to create a ziggurat form. At its tallest the building is 11 storeys high. Lightwells exist between the cruciform and perimeter elements. Regardless of the varied context around the existing building, the elevations are entirely composed of the same repeated red brick façade detail.
- 8.11 The façade is considered to be somewhat oppressive both in its dark flat colour and in its monotonous application. The shop fronts onto the principle thoroughfare streets are low and visually suppressed by the architecture. The ground floor of Stacey Street is treated as a back-of-house elevation with a large service bay entrance presenting itself to the end of New Compton Street. The cul-de-sac of Caxton Walk offers the opportunity for antisocial behaviour.
- 8.12 The proposal presents an opportunity to revisit the facades and mass, improve the ground floor experience, and reconnect New and Old Compton Streets.

Proposal

- 8.13 The proposal retains the structural frame and floor slabs of the lower 6 storeys. It removes the upper ziggurat in its entirety as well as the façade to the lower elements. The proposal fills in the lightwells, replaces the upper storeys in a new form and adds new elevations. The new design is 11 storeys, the same as existing, plus a plant floor. However the new floors are individually taller

resulting to an overall increase in height of 5.75m (for reference, a modern office floor is typically 4m high).

Ground floor layout

- 8.14 The proposal significantly improves the ground floor experience of the building. The proposal occupies the same footprint as existing but also extends over the current raised podium on the Stacey Street side and the triangular recess by the basement vehicle ramp again on Stacey Street. The wide steps which lead up to the podium would be removed, allowing level public space to be extended into this area. The Phoenix Street corner to Stacey Street is cut back from the extension to soften the mass and allow views around the corner. The area around the vehicle entrance is currently a dead and unwelcoming space at the entrance to Stacy Street with Phoenix Gardens beyond, and bringing street-defining frontage onto the back of pavement is a positive change.
- 8.15 The office entrance is proposed to be relocated from Shaftesbury Avenue to Charing Cross Road, on the corner of Caxton Walk. This allows the entire Shaftesbury Avenue frontage to be shops/restaurants and also provides 24-hour surveillance of Caxton Walk. The large and imposing service bay on Stacey Street, opposite the entrance to Phoenix Gardens, would be removed and replaced with a retail unit.
- 8.16 The proposal reintroduces the historical link from Old Compton Street through to New Compton Street, which is positive public addition to the site, allowing the St Giles area to be more directly connected with Soho and with a more pedestrian friendly journey than the busy principle roads. As the route is cut through a retained structure, it will take the form of an arcade. It is one-storey high and 3.4m wide at its narrowest point in the middle of the site, and increases to two storeys and widens significantly at the ends. On Stacey Street the opening to the arcade is 10m wide. The widening creates an inviting gesture and allows the arcade to be visible from distance on both Old and New Compton Streets. On leaving the arcade at Stacey Street one is presented onto New Compton Street, but would also have views of St Giles' steeple and Centre Point, both important local wayfinding markers. The arcade is active at each end with retail units on its corners with Stacey Street and the office reception and a further retail unit at the Caxton Walk End.

Height and form

- 8.17 The existing building has a frontage parapet height of 6 storeys on Shaftesbury Avenue and Charing Cross Road, and 7 storeys on Phoenix Road, above with the remaining floors stepping back. The proposal increases the parapet height to 7 and 8 storeys respectively. Although the height of buildings in the surrounding conservation areas is often around 5 storeys, there are taller developments on both Charing Cross Road and Shaftesbury Avenue. These include 151 Shaftesbury Avenue, next to the listed Odeon, which rises to 8 office storeys without setbacks and 120 Charing Cross Road at 7 storeys without setbacks. The additional frontage height proposed is considered to be acceptable in the context of these and other buildings in the area. Balanced against the one-storey increase in frontage height, the proposal also removes bay windows which circle the building facades at the fifth floor, projecting forward of the building line. This helps relieve the bulk and sense of enclosure to the street.

- 8.18 The proposal diverts from the current building's approach of a single facade around a single large building. Instead the Charing Cross Road half and the Shaftesbury Avenue half are designed to read as separate blocks, with a 4m wide, 4m deep recess in the façade where the 2 halves meet above the Stacey Street arcade entrance. This gives further individual definition to the 2 blocks, but also helps define the location of the route through. Additionally the extension over the Stacey Street podium is formed to read as a further building which rises only 5 storeys to reinforce its own character and respond to building scales that enclose this part of Phoenix Gardens and the Denmark Street CA. This five-storey element is comparable in height to the listed Odeon which sits perpendicular to it and is also of brick. The pair of brick frontages together frame the southern corner of Phoenix Garden.
- 8.19 The proposed upper storeys, from seventh to eleventh floor, result in broader floor plans than existing by changing from a cruciform to a more rectangular shape. These storeys take the existing approach of setting back at each floor, but do so in a less rigid and regular manner which results from views analysis and a desire to break down the mass into smaller elements. Whilst the cruciform plan form of the 1980's design does reduce bulk on the corners, its shape was derived by internal office accommodation requirements and not a townscape approach. As such, where it is visible, particularly from Old Compton Street and Cambridge Circus, it results in unresolved form with the foreground buildings, and lacks architectural ambition. The proposal looks to address this issue and is designed in consideration of foreground setting. The mass on the western side is broken into 3 elements 12 to 15m wide, which is comparable to the width of the Edwardian frontages on Cambridge Circus. They are also curved, as if part of concentric circles radiating from the Circus. Officers consider that the resultant form, whilst more visible, is an improvement on the existing situation, with both the scale and shape of the elements drawn from the foreground context. The breaking down of the mass into smaller elements is effective and the curved profile of the 3 elements further softens the forms. The deepest setback between the 3 elements is located directly at the end of the view down Old Compton Street and above the arcade, resulting in a sense of depth in the long view from Westminster and a suggestion that the route continues. The deep recess creates the illusion that the building is only two of these curved elements wide in views from Cambridge Circus. While only 1 of the curved elements is visible in the closer view along Old Compton street.
- 8.20 As the design of the upper floors is important in views, the proposal places the greater share of the plant at the seventh floor, the first setback level, where it is hidden behind a façade of the same design and quality as the office. This allows the final floor to be only half plant, and of a reduced height, with the other half a mezzanine office floor. This office floor has been located at the end of the long view down Old Compton Street, so that the plant is not present in this view. Also as a mezzanine floor the main lifts stops at the floor below, resulting in no over-runs or clutter breaking through the roof.
- 8.21 The proposed building has a theme, particularly at upper levels, of recessed facade behind loggias. This provides depth to the façade zone, introducing light and shade, which will soften the mass and give interest. At the upper levels the loggias will make glass in the building less prominent and reflective and lighten the effect of the upper elements. The seventh floor plant is also set

back behind the loggia, thus removing its visual presence and the need for louvres etc. on the facade of the building.

Detailed design

- 8.22 The proposed elevations are a significant upgrade on the existing. They have a character, richness and architectural merit appropriate for the central London thoroughfares they front. Through bays and modulation introduce a more human and engaging scale. The Shaftesbury Avenue elevation picks up on the triple window rhythm and curved lintels of the neighbouring Victorian building, but takes its limestone coloured material reference from the base of the listed Odeon, its other neighbour. This results in a far more contextual approach than existing and brings greater cohesion to the street, employing depths and details which are inspired by the Victorian context and with the tones and texture of traditional central London materials. The facade has bay windows to express the piano noble floor. The string lines at each floor level have varied profiles further expressing a bespoke richness. Shop fronts are raised in height to match those of the neighbouring Victorian building. The return gable between the proposal and the Victorian neighbour is visible from Cambridge Circus. It is treated in red brick in harmony with the other exposed red brick gables of Victorian building in the context, and given interest through arched openings.
- 8.23 On Charing Cross Road there is an equal consideration to context and character. Again the shopfronts are raised. The design has a more linear feel which responds to the more banded character of neighbouring buildings. The façade also has chamfered corners which pick up on localised qualities. As with the Shaftesbury Avenue façade the material will be a limestone coloured reconstituted stone with metal mullions.
- 8.24 The five-storey block on Stacey Street takes a different approach, employing layered brick to its façade. The softness, warmth and scale of the brickwork are considered to be more appropriate to the context of the Phoenix Garden area. The arcade is again detailed to a similar standard of richness and has chamfered bay windows at either end. These make reference to the great C18th and C19th London arcades but also provide oblique overlooking of the route.
- 8.25 The upper floors promote a lighter and more recessive style to the solid street framing facades of the lower levels. The upper floor uses the same palette of brass coloured metal and limestone coloured reconstituted-stone but with a greater emphasis on the metal elements. The metal elements either form mullions or, where there is a loggia, free standing columns. They are profiled to create interest and elegance. Many of the Victorian buildings in the area have rich skylines of curved or triangular pediment gables and half dormers framed in light stone-like materials which play with a sense of depth between them and the roof forms behind. Whilst employing a different architectural aesthetic the proposed upper storeys are drawn from similar principles of depth between components, the use curved forms, and framing in stone-like material.
- 8.26 The proposal places an external spiral stair case to the end of Caxton Walk above the point one enters the arcade. The staircase is a characterful element which brings activity to the arcade area, whilst being a wayfinding point of reference.

8.27 The building has many small terraces and loggias which have the potential to being much greening to the façade of the building.

Conclusion

8.28 This is a high quality and thoughtful proposal which improves significantly on the existing condition. The ground floor, with the new route and the same level of consideration around the full 360 degrees of the footprint lifts the pedestrian experience and in particular the setting of the Denmark Street Conservation Area along Stacey Street. The new facades respond to local character, employ high quality materials and have been given variety and intricacy in the detailed design. Whilst taller than the existing, the new upper storeys are formed in response to views towards the site and the setting of key townscape features and heritage assets.

9 Landscaping and trees

9.1 The Landscaping, public realm and trees considerations are follows:

- Policy review
- Designations
- Landscaping and public realm
- Proposed through route
- Trees
- Conclusion

Policy review

9.2 Core Strategy Policy CS15 and Development Policy DP31 seek to protect, improve and designate open space. The proposal does not provide sufficient floorspace to trigger the need for on-site public open space.

Designations

9.3 None of the site is designated as public open space.

Landscaping and public realm

9.4 The existing site includes privately-owned space which is accessible to the public at Caxton Walk and on the northern side of the site where there is a hard-paved area which merges with the public highway and a raised hard paved area. These areas together have a floorspace of 498.9sqm. Under the proposals, part of the area at the rear would be built over resulting in the loss of 133.3sqm of privately-owned open space. However, this area is currently poorly landscaped with a brick surface and no soft landscaping. Accessibility would be improved to this area. Under the proposals, the open space at the rear would be levelled and a condition is recommended for landscaping details, to ensure that high-quality landscaping is provided. This open space would be maintained and managed by the building management team with funding coming via the building's service charge.

Proposed through route

9.5 The proposal would also provide a new route through, reinstating a link which has existed here historically, linking Old Compton Street and New Compton Street. This area would have a floorspace of 243.3sqm and is considered a significant benefit of the scheme, creating a new route and improving permeability.

Trees

- 9.6 There are no trees on the application site and the proposed development does not include any tree removals. There are trees immediately adjacent to the application site:
- on the footway of Shaftesbury Ave to the south west
 - on the paved open space on Stacey Street to the north east
 - on Charing Cross Road.
- 9.7 The existing basement is proposed to be retained in its current form which would ensure the trees would not be adversely affected by the scheme below ground.
- 9.8 The form of the trees has been affected over many years by their close proximity to structures which has resulted in the trees leaning over the highway away from the existing building on the application site. As such, the removal and replacement of the façade is not considered to adversely affect the trees as there is sufficient clearance in place to allow for scaffolding/working room.
- 9.9 A condition on tree protection details is recommended.
- 9.10 Given the above, there are no concerns with regards to trees.

Conclusion

- 9.11 Whilst there would be some loss of private open space under the proposals, they would result in significant improvements to the public realm, especially on Stacey Street, but also at Caxton Walk. The provision of the through route is also a significant benefit. There would be no impact on trees.

10 Impact on neighbouring amenity

- 10.1 The considerations on the impact on the amenity of the occupiers of neighbouring properties are as follows:
- Policy review
 - Daylight and sunlight
 - Overlooking
 - Noise and disturbance
 - Conclusion

The impact on the daylight and sunlight of the open space is assessed in the following section of this report.

Policy review

- 10.2 Policies CS5, DP26 and CPG6 (Amenity) are relevant with regards to the impact on the amenity of residential properties in the area. Any impact from construction works is dealt with in the transport section.

Daylight and sunlight

- 10.3 A Daylight and Sunlight Report has been submitted as part of this application which details any impact upon neighbouring residential properties and open spaces. The findings of this report were independently reviewed. Detailed daylight and sunlight assessments have been carried out to the surrounding residential windows. In accordance with the BRE guidelines detailed assessments have not been carried out to the surrounding commercial or non-

habitable room windows as they are not considered to have a reasonable expectation of daylight or sunlight. Daylight has been assessed in terms of Vertical Sky Component (VSC), the No-Sky Line (NSL) and the Average Daylight Factor (ADL). In addition Annual Probable Sunlight Hours (APSH) has been used.

10.4 The assessment tested 22 residential properties in the area, and concluded that 15 are 'unlikely to see adverse alterations to the level of daylight'. Officers agree that these 15 properties would not be affected given their location and the results of the report. 7 buildings were found to be more adversely impacted, and are discussed below.

Would not see material alterations to the level of daylight	More adversely impacted
<ul style="list-style-type: none"> • 19 New Compton Street • 144-146 Shaftesbury Avenue • 1 Earlham Street • 3-5 Earlham Street • 2-8 Earlham Street • 142 Shaftesbury Avenue • 140 Shaftesbury Avenue • 138 Shaftesbury Avenue • 84-84A Charing Cross Road • 99 Charing Cross Road • 99A Charing Cross Road/ 1-35 Old Compton Street • Old Compton Street • 107-109 Charing Cross Road (College of Art and Design) • 93 Charing Cross Road • 95 Charing Cross Road 	<ul style="list-style-type: none"> • 1-8 The Alcazar, 7-10 Stacey Street • 1-2 St Giles Passage (Pendrell House) • 152-156 Shaftesbury Avenue • 148-150 Shaftesbury Avenue • 86 Charing Cross Road • Trentishoe Mansions, 88-94 Charing Cross Road/3-5 Caxton Walk • 1A Phoenix Street

10.5 The VSC is calculated at the centre point of each affected window on the outside face of the wall in question. A window looking into an empty field will achieve a maximum value of 40%. BRE guidelines suggest that 27% VSC is a good level of daylight. If a window does not achieve 27% VSC as a result of the development, then it is assessed whether the reduction in value would be greater than 20% of the existing VSC – which is when the reduction in light would become noticeable to occupants. However, officers consider that VSC's lower than 27% are normal for urban areas, with 20% still considered acceptable.

10.6 Should VSC fail then the more technical No-Sky-Line (NSL) test can be employed. The NSL is 'the outline of the working plane of the area from which no sky can be seen. In residential properties – the working plane is taken as 0.85m high. Like the VSC, the NSL figure can be reduced by up to 20% before the daylight loss is materially noticeable. It should also be noted that although the guidelines set a good level of daylight at 27%, the guidelines are designed to be interpreted flexibly, and lighting levels of 20% or more are generally considered good levels of light for an urban setting.

- 10.7 The Average Daylight Factor (ADF) is a measure of the overall amount of daylight in a space. More technically, the ADF is the 'ratio of total daylight flux incident on the working plane to the area of the working plane, expressed as a percentage of the outdoor illuminance on a horizontal plane due to an unobstructed standard overcast sky'. Thus a 1% ADF would mean the average indoor illuminance would be one hundredth the outdoor unobstructed illuminance. In housing, the minimum ADF values are 2% for kitchens, 1.5% for living rooms and 1% for bedrooms.
- 10.8 Officers acknowledge that the development is proposed in a dense urban environment and the design and nature of some of the existing neighbouring buildings is such that there are some pre-existing shortfalls in daylighting relative to the normal BRE Standards. When this is the case any small absolute reduction can result in non-compliance. Also, some of the windows of the surrounding buildings are located underneath terraces which, as well as making them already liable to experience low levels of lighting also makes them dependent upon skylight from a lower angle and thus vulnerable to impact from relatively minor increases in building height opposite. Given the nature of the site and surrounding buildings, it would be difficult to be develop the site without resulting in some transgressions in BRE guidance. The London Plan March 2016 Supplementary Planning Guidance – Housing states, in para. 1.3.45, that 'an appropriate degree of flexibility needs to be applied when using BRE guidelines to assess the daylight and sunlight impacts of new development on surrounding properties, as well as within new developments themselves. Guidelines should be applied sensitively to higher density development'. This does not mean that BRE guidelines should be disregarded for assessment purposes, rather that the decision maker should apply the results flexibly and consider the circumstances of the site and the affected properties.
- 10.9 The diagram below shows the location of properties that were tested.

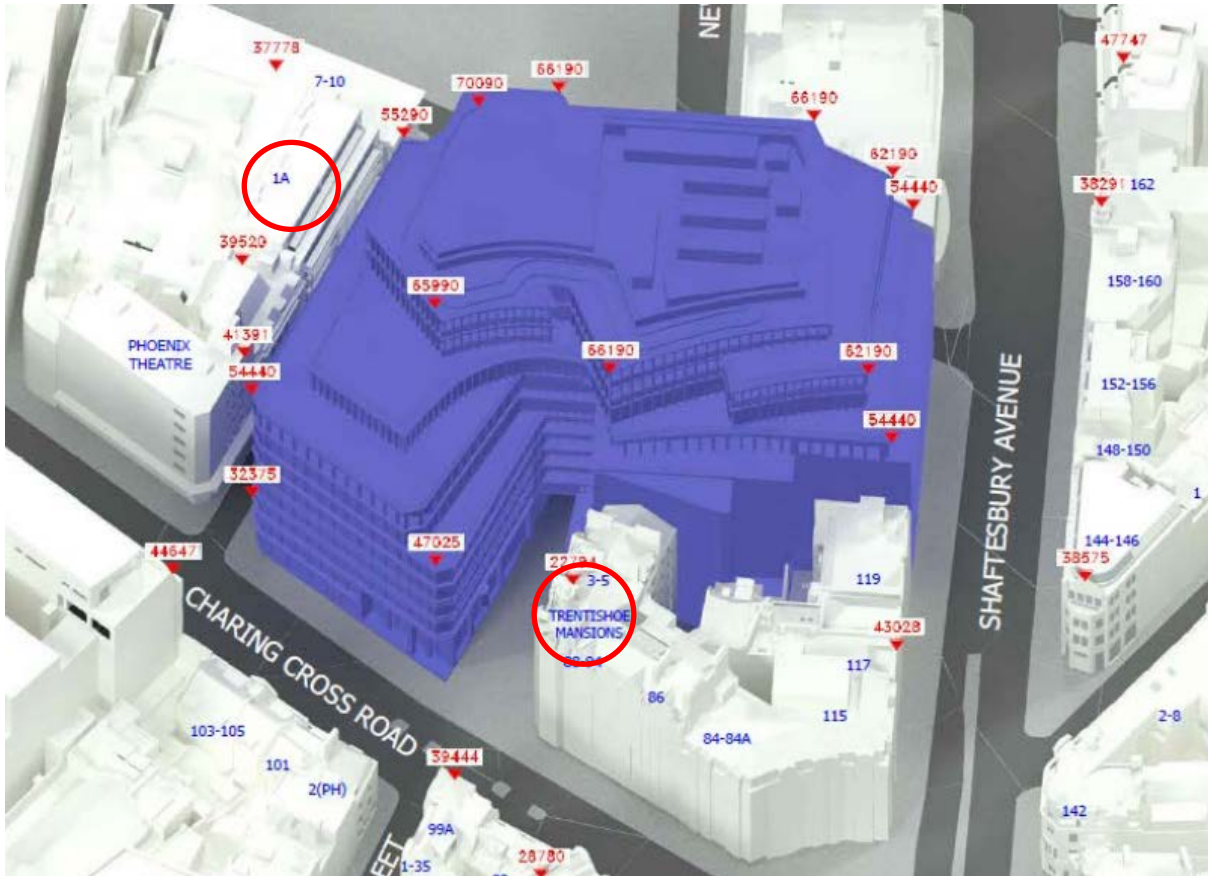


Figure 20 – Properties assessed in Daylight, Sunlight and Overshadowing Report (in blue text), with the most affected properties circled in red

10.10 An independent daylight consultant assessed the findings specifically with regards to the most affected properties; Trentishoe Gardens and 1A Phoenix Street, which are highlighted by a red circle in Figure 20 above. Their assessment is included below.

1-8 The Alcazar, 7-10 Stacey Street

10.11 This building is located to the north of the application site, on the corner of Phoenix Street and Stacey Street. It is a four-storey block with flats. Whilst 14 out of the 21 apertures tested would have a resultant VSC of less than 27%, none of these windows would have a loss of over 20% (18.8% is the highest).

1-2 St Giles Passage (Pendrell House)

10.12 This property is located to the north-east of the site (just off of Figure 20 above). 98.4% of apertures tested on this property fully complied with the BRE guidelines. Only 1 window did not fully comply but this is not the main window serving the room but is a door on to a terrace. Furthermore, the reduction would be only marginally above 20% were loss of light would be noticeable.

152-156 Shaftesbury Avenue

10.13 This building is located to the south-east of the site, on the opposite side of Shaftesbury Avenue. It is a five storey building (including a mansard storey) with commercial uses at ground floor and flats above.

10.14 40 apertures were tested – all of which are on the front elevation of this building, which faces the site. All of the residential apertures passed BRE guidelines under the proposals.

148-150 Shaftesbury Avenue

10.15 This building is adjacent to the above building, also located to the south-east of the site, on the opposite side of Shaftesbury Avenue. The building here comprises 4 storeys, with commercial use at ground floor. 12 apertures were considered here. Only 1 of the windows would fail, with an existing VSC of 4.6% reducing to 3.1% which represents a 32.6% reduction. However this window serves commercial premises at ground floor level.

86 Charing Cross Road

10.16 This property is located to the south of the development site. Only 2 windows in this building would not comply with the BRE guidelines. 1 of these windows would experience a VSC reduction of 24.9% which is only a minor breach of the 20% guideline. The other window would experience a VSC reduction of 39.1%, however this window currently receives a poor level of light and therefore any loss would result in a high percentage. Given this and that all of the other windows pass or would experience a minor breach, this impact is considered acceptable.

Trentishoe Mansions, 88-94 Charing Cross Road/3-5 Caxton Walk

10.17 These properties are located adjacent to the site, to the south. These properties consist of 6 storeys (including roof storeys). There are apertures serving these properties on their front elevation on to Caxton Walk and also their rear elevation on to a lightwell.

10.18 172 apertures were tested here. 103 apertures (60%) would comply with the BRE guidelines on VSC, with 69 falling below the guidelines. It should be noted that most rooms have multi-paned windows and that each pane was tested (i.e. window and pane are the same for the purposes of this assessment). Given the non-compliance of 69 apertures with the VSC, the report has assessed the rooms served by these apertures against the No-Sky Line (NSL). 33 of these windows serve rooms which pass the NSL. The remaining 36 apertures serve 14 rooms. 6 of these rooms would experience a minor adverse impact between 20% and 30%. Of the remaining 8 rooms, only 3 of which are living/kitchen/dining rooms. These 3 rooms experience reductions in VSC of around 30% from existing and in NSL of between 32% and 51% from existing. The ADF results are of 0.8%, 0.9% and 1.2%, all below the recommended minimum for a living room which is 1.5.

10.19 An independent daylight consultant assessed the impact on this building and considered it 'moderate adverse' rather than 'major adverse'. The rooms here would be left with relatively low levels of daylight in real terms and below the recommended levels of internal illuminance although, in the case of the living rooms, only one of these has an adequate ADF at present. Most of the worst affected rooms are bedrooms however. The three living rooms which experience the moderate adverse impact are on the upper storeys of the building and would in fact have better levels of retained daylight than the rooms on the three floors below which are considered to generally experience only a minor adverse impact.

10.20 Given the above, it is noted that there would be an impact on Trentishoe mansions in terms of daylight and sunlight but this would be just 'moderate

adverse'. Given the impact of the scheme balanced with its benefits, the proposal is considered acceptable.

1A Phoenix Street

- 10.21 This property is located to the north of the site, on the opposite side of Phoenix Street. These properties are single-aspect south-facing.
- 10.22 43 apertures were tested on this building. Of the 43, only 12 (27.9%) would comply with the BRE guidelines on VSC at present. The remaining 31 apertures serve 26 rooms. These rooms were assessed against the NSL and 12 of these complied and 14 fell short. 4 of these rooms are habitable rooms – kitchen/living/dining rooms where natural light is more important.
- 10.23 It is acknowledged that these flats receive poorer levels of daylight due to the design of the building, with overhanging balconies having an impact on the lower flats. The BRE guidelines allow for such features to be taken into account when determining the impact of a new building.
- 10.24 The results for the flats within this building were also tested by an independent daylight consultant. The consultant noted the constraints to the availability of natural daylight due to the presence of external balconies recessed elevations and projections in the centre of the property, which limit the ability to receive sky visibility from above.
- 10.25 Of the 4 habitable rooms, there are substantial reductions in VSC, with many experiencing a reduction of over 50% from the existing with some rooms experiencing reductions of more than 70% from the existing. In addition, the NSL results for these rooms, particularly the living rooms, are reductions of more than 40% from existing. The impacts were described by the independent consultant as 'clearly major adverse'. The ADF results for these rooms (see the table below) are all significantly below the recommended minimum level and of concern are living rooms with ADF levels of 0.1%, 0.2% and 0.4%. These 4 rooms currently receive very poor daylight. Any loss in percentage terms is therefore unduly high. Under the proposals the loss of light to these rooms (ADF) would be very small in absolute terms, at -0.3 at the highest. These rooms would be left particularly dark and are very likely to require artificial lighting for normal use. It is the case, as identified in the report, that the living rooms have very poor levels of VSC at present (around 5%) and that any material reduction will be a large percentage reduction from the existing. However, that does not change the fact that very poorly lit rooms would become even worse lit.

Room	Existing ADF	Proposed ADF	Change in ADF
R1/1700	0.7	0.4	-0.3
R1/1701	0.3	0.1	-0.2
R1/1702	0.4	0.2	-0.2
R1/1703	0.4	0.2	-0.2

- 10.26 The applicant has submitted a 'mirror massing' justification, for the impact on 1A Phoenix Street. The applicant relies on an option which is permitted by the BRE Guidance that is relevant where a development site is open land or of a relatively low height that is not in keeping with the prevailing urban massing in the area. In such a case it may be appropriate to establish the levels of daylight

that would apply with a notional massing on that site that would match the prevailing urban grain and then assess the impact of the proposed development in comparison with that notional massing.

- 10.27 This is being argued by the applicant for the open land on the eastern side of the application site and it is the case that the eastern end of Phoenix House receives relatively good levels of daylight over that land currently. The applicant has therefore undertaken calculations based on a massing on that plot to a height of 41.053m AOD (above ordnance datum). This is effectively comparable with the height of the Phoenix Theatre on Phoenix Street and is slightly higher than the building in question at 1A Phoenix Street.
- 10.28 Based on that analysis, the applicant has demonstrated that five of the living rooms and fourteen of the bedrooms or other rooms would experience an improvement in VSC by comparison with the mirror profile. This therefore shows that, if the application site was developed to its full area with massing that is comparable with the generic urban grain (i.e. heights along the rest of Phoenix Street), then there would in fact be an improvement in daylight with the current scheme against that notional massing.
- 10.29 Therefore, if the mirror massing approach is accepted as a reasonable approach to assessing the appropriate development massing on the application site, then this does show that the proposed development is of an appropriate scale compared to such notional massing and that the daylight/sunlight impact would be only negligible to minor adverse. Given that the BRE guidelines allow for mirror massing, officers consider that this is a material consideration and should be taken into account. Due to the location of 1A Phoenix Street to the north of the proposed development, and given that this part of the site has been developed lower than the surrounding urban grain, any increase in height and bulk would have a significant impact on these properties. Significant reductions in height and bulk of the proposals would make very little difference to the impact on these properties and almost any increase in height and bulk would have a significant impact in percentage terms. However, this would render the project undeliverable. Given the above, a balanced decision must be taken, weighing the benefits of the proposal against the impacts. Officers consider that here are significant benefits associated with this scheme which outweigh the harm to these properties, particularly the 3 living rooms aforementioned.
- 10.30 It should also be noted that under the proposals, these flats would benefit from significant improvements in outlook with the public realm being redesigned of a much higher quality than the hard standing area that exists at present.

Conclusion – daylight and sunlight

- 10.31 The impact on Trentishoe Mansions would be a minor adverse impact. With regards 1A Phoenix Street, there would be greater impact, with losses above the recommended BRE guidelines. Any material additional development of this site that infills the open area to the east and increases the massing on Phoenix Street would have a disproportionate impact on daylight to 1A Phoenix Street, given the narrow width of the street, exacerbated by the balconies overhanging the windows cutting sky visibility from above. The levels of daylight that would be left are levels that are currently prevailing to other parts of that building already and it is the better lit, although not well lit, rooms that will experience the larger reductions. The impact on these properties needs to be balanced

with the benefits of the scheme, taking into account the mirror massing argument and the fact that there would be an improvement in public realm in front of these properties. Officers acknowledge that it would be unlikely for any development schemes to come forward without an increase in massing. If some of this bulk is not placed on this side of the site, then the scheme would have to increase in height and bulk elsewhere, which is not considered practical in terms of conservation, design and amenity. Given the architectural and employment benefits of the scheme, the contribution towards housing in the area and also the reinstatement of the route through, officers consider that on balance the impact is acceptable. Other properties in the vicinity are considered to undergo acceptable impacts in terms of daylight and sunlight.

Overlooking

- 10.32 The upper floors of the building would all be maintained in office use. Whilst the building would bulk out under the proposals, office use does not cause the same impact in terms of overlooking, given that office premises are predominantly used during the day. Accessible terraces are proposed for the offices at 5th, 7th, 8th, 9th and 10 floors. The impact from the proposed offices, including terraces is assessed below.
- 10.33 The closest residential properties around the site are located at Caxton Walk (Trentishoe Mansions) to the south-east and Phoenix Street and Stacey Street to the north. The relationship between the existing offices and Trentishoe Mansions is extremely tight, with a separation distance of just 11m. However, this is an existing relationship and would not be made materially worse by the proposals. There would be terraces introduced higher up on the side of the building beside Trentishoe Mansions; however this would be at 7th floor level and would be set back from the edge, with a planted area between it and the edge of the building. Overlooking from the proposed spiral staircase at the end of Caxton Walk would be more acute, at just 7m away from windows serving Trentishoe Mansions. However, this is not considered to be a material impact given the angle is oblique; the commercial nature as offices would mean the impact is predominantly during the day, and that the view is not from a terrace but from a staircase, where people are less likely to congregate.
- 10.34 The terraces on the northern side of the building would be located 13m away from the residential properties on Phoenix Street. However, these terraces would face north-east, looking towards Phoenix Gardens rather than the residential properties. Given this point and given that the terraces would serve offices and would be unlikely to be used for long periods or out of office hours, officers consider there would be no material overlooking impact.

Noise and disturbance

- 10.35 The proposal features mechanical ventilation. A Noise Impact Assessment has been submitted for the application. The Council's Noise Officer has appraised the submitted assessment and has no objection to the application subject to conditions on noise levels and plant. These conditions will safeguard any premises that may be affected by noise, including the Phoenix Theatre, as well as residential properties.
- 10.36 Objections have been raised on the grounds of noise from the terraces. Given that these serve office use and the size and amount of terraces and

would normally therefore only be used during office hours, officers consider that there would not be a material amenity impact.

10.37 With regards to the proposed Class A1 uses, officers consider that these uses by their very nature would be able to operate in close proximity to residential use and that there would be no need for a condition limiting hours of use. With regards to the proposed Class A3 restaurant uses, the Covent Garden Community Association has requested the attachment of a condition limiting the hours of use to 08:00 to 22:00 Monday to Saturday and 10:00 to 20:00 hours on Sunday. Officers agree that a condition should be attached to protect residents from noise, though these hours are overly stringent. A condition is therefore suggested limiting hours of use to between 08:00 to 22:30 Monday to Saturday and 09:00 to 21:30 hours on Sunday, which is considered reasonable for the location and sufficient to protect amenity.

Conclusion

10.38 The submitted daylight and sunlight report demonstrates that the majority of the windows surveyed would meet the relevant BRE standards following completion of the proposed development. Of the windows that do not fully comply, the majority already have existing levels of daylighting that are relatively low with the absolute change in the level of daylighting being negligible. Officers consider that there would be some impact on residential neighbouring properties. However, the number of flats materially affected is low, as detailed above. Given the conclusions of the independent daylight consultant, whilst there would be some loss of light, it is not considered that this would be to a significant enough degree to warrant a refusal given the significant benefits to the scheme.

10.39 Given the nature of the office use, officers consider there would not be a material impact in terms of overlooking.

10.40 Subject to conditions on hours of use and noise the proposals are considered acceptable on amenity grounds.

11 Air quality

11.1 Policies CS16 and DP32 are relevant with regards to air quality.

11.2 An Air Quality Assessment (AQA) has been submitted as part of this application.

11.3 Under the proposals existing older plant would be replaced with modern, efficient plant. The proposals would be air quality neutral. The Council's Air Quality officer has assessed the proposals and has no objections subject to the Construction Management Plan (to be secured in the section 106 agreement) including air quality monitoring during construction.

12 Sustainable design and construction

12.1 The sustainable design and construction considerations are as follows:

- Policy review
- The site and the proposal
- Energy and sustainability

Policy review

- 12.2 Pursuant to London Plan policies 5.2, 5.3, 5.6m, 5.7, 5.9, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15 and 5.17, Core Strategy policy CS13 and Development Policies DP22 and DP23 all developments in Camden are required to make the fullest contribution to the mitigation of and adaptation to climate change, to minimise carbon dioxide emissions and contribute to water conservation and sustainable urban drainage.
- 12.3 Policy DP22 encourages non-domestic developments in excess of 500sqm to achieve “very good” (58%). The minimum scores in the following categories must also be achieved: Energy 60%; Water 60%; and Materials 40%. Policy: CS13 requires all developments to achieve a 20% reduction in CO2 emissions through renewable technologies (the 3rd stage of the energy hierarchy) wherever feasible, and this should be demonstrated through the energy statement.

The site and the proposal

- 12.4 The proposal is a high density scheme in very close proximity to ‘Excellent’ public transport links (PTAL 6b). The scheme involves the reuse of an existing structure rather than the erection of a new structure. The principle of the scheme is therefore highly sustainable.

Energy and sustainability

- 12.5 Follow the hierarchy of energy efficiency, decentralised energy and renewable energy technologies set out in the London Plan (2011) Chapter 5 (particularly Policy 5.2) to secure a 35% reduction in regulated CO2 emissions below the maximum threshold allowed under Part L 2013. GLA guidance on preparing energy assessments and CPG3 should be followed. In particular, improvements should be sought on the minimum building fabric targets set in Part L of the building regulations. Policy CS13 requires all developments to achieve a 20% reduction in CO2 emissions through renewable technologies (the 3rd stage of the energy hierarchy) wherever feasible, and this should be demonstrated through the energy statement.
- 12.6 A Sustainability and Energy Statement was submitted as part of this application. The proposed building would be more efficient than the existing with improved ventilation, modern plant, improved u-values and more sustainable lighting.
- 12.7 The scheme would achieve a 22.87% overall carbon reduction which misses the 35% overall carbon reduction target. However, the applicant has identified a number of constraints in achieving this overall reduction, mainly lack of roof space for solar PV to meet the renewables targets.
- 12.8 The development achieves a 19.6% reduction seen at the Be Lean stage of the energy hierarchy and includes good u-values and levels of air tightness.
- 12.9 CHP (Combined Heat and Power) is not considered to be feasible for the scheme and there are no current heat networks for the scheme to connect to, however the development would be future proofed to enable connection to a heat network should one become available in the future.

- 12.10 4.07% carbon dioxide reduction is achieved at the 'Be Green' stage of the energy hierarchy through an air source heat pump (ASHP) and solar PV (covering over 150m² roof area) – this misses policy target for 20% further reduction through renewable technologies. However the applicant has outlined the various restrictions in meeting this target – roof space needs to be shared with other plant and access space, and overshadowing of some of the roof space. The applicant is therefore required to contribute £225,450 carbon offset payment to fund CO₂ reduction projects elsewhere in the borough.
- 12.11 Development is meeting policy targets for BREEAM: achieving BREEAM Excellent with 74.34% overall credit score, as well as achieving at least 60% of Energy and Water credits and 40% of Materials credits.
- 12.12 Rainwater and greywater harvesting is not considered to be feasible for the scheme. The applicant submitted a feasibility study for greywater harvesting which demonstrated that the payback was over 100 years. Furthermore, there are constraints for space for where they could put the actual tank and given these constraints and that the applicants meets the minimum credit requirements for BREEAM Water credits through efficiency measures anyway, this is considered acceptable.
- 12.13 Some green roof is proposed - to avoid any further increase in roof height the applicant will not be proposing green roof in conjunction with solar PV and therefore there is limited area of roof space available for each. Conditions are attached to secure both of these.

13 Flood risk and drainage

- 13.1 Policies CS13 and DP23 are relevant with regards to flood risk and drainage.
- 13.2 The site is not within a Local Flood Risk Zone; it is within Flood Zone 1 (where there is a 0.1% annual probability of flooding). The site is however within a Critical Drainage Area.
- 13.3 A Flood Risk Assessment and a Drainage Strategy have been submitted as part of this application.
- 13.4 In terms of Sustainable Urban Drainage Systems (SUDS), an attenuation tank (81m³) is proposed and also rainwater harvesting which would be detailed at the design stage. It is noted that SUDS features are limited as the existing building covers the entire site. The Lead Local Flood Authority has been consulted and has no objections with regards the proposed SUDS features and water run-off rates, subject to conditions on details of SUDS and on rainwater harvesting.

14 Nature conservation and biodiversity

- 14.1 A Preliminary Ecological Appraisal has been submitted as part of the application. The proposal features planted balconies and bird and bat brick habitats. The Council's Nature Conservation Officer has assessed the proposals, including the proposed landscaping planting, which focuses on seasonal change and is satisfied subject to conditions on; bird/bat boxes,

landscaping details and details of the living roof. Given the above, the proposal is considered acceptable in biodiversity terms.

15 Accessibility

15.1 A Design and Access Statement was submitted as part of this application. The Council's Accessibility Officer has been consulted on the application and is satisfied that the proposed building is fully accessible. The redesigned Public Open Spaces have been designed to be fully accessible, including the new through route.

16 Transport

16.1 The following transport considerations are covered below:

- Policy review
- The site
- Travel plans
- Cycle parking
- Pedestrian movement through the site and public rights of way
- Management of construction impacts on the public highway in the local area
- Deliveries & servicing and onsite parking
- Pedestrian, cycling, environmental and public realm improvements
- Conclusion

Policy review

16.2 Policies CS11, DP16, DP17, DP18, DP19, DP20, DP21 and CPG7 (Transport) are relevant with regards to transport issues.

The site

16.3 The site has a Public Transport Accessibility Level (PTAL) of 6b (Excellent), which is the highest. The site is close to Tottenham Court Road, Leicester Square and Covent Garden Underground Stations and is served by numerous bus services.

Travel plans

16.4 This development will lead to an increase in capacity in visitors to the area, with an uplift of 9,259sqm of B1 office use but a reduction of 1,371sqm of Class A1 and A3 use floorspace. The applicant has done an assessment of the expected increase in trips to and from the site and shows that with an increase of an estimated 466 additional staff that there will be an uplift of 257 additional two way trips on a daily basis. This is considered a reasonable assessment of the uplift in trips generated by new workers and visitors to the site. This will lead to a significant increase in people working in the area which will lead to higher pressure on local transport infrastructure, as this area is already an extremely busy and compact area of London it will be essential that this uplift will need to be managed. The applicant has provided a Framework Travel Plan as part of this application, which would need to be finalised once the occupant of the office is known and a Travel Plan Co-ordinator can be nominated.

16.5 The site is well supplied with public transport infrastructure, but suffers from issues with overcrowding. Officers would seek the developer to implement the

Travel Plan to ensure that the uplift in trips to this site does not put unnecessary burden on the existing facilities, we will also need to look at ways of making better use of the existing road layout to maximise the capacity for sustainable transport. This can be helped by the developer through the promotion of sustainable modes of travel such as walking and cycling and making the most of the onsite facilities that will be provided as part of this application. Officers would also seek from the developer a contribution towards transport schemes to relieve the pressure on the existing area, details of this will be covered below.

16.6 If planning permission is granted a final Travel Plan would need to be secured as a section 106 planning obligation. The travel plan would need to be approved by the Council prior to completion of the proposed works. This would include a requirement for a Travel Plan Co-ordinator to be appointed. This site would be multiple-use with the office space having the most significant impact and officers would therefore request that the Travel Plan focus on workers and visitors for this space rather than the retail area.

16.7 Officers would also seek to secure a financial contribution of £6,020 to cover the costs of monitoring and reviewing the travel plan over a 5 year period. This would also need to be secured by a Section 106 planning obligation.

16.8 Transport for London encourages developers to use the TRICS database (formerly TRAVL) for trip generation predictions. Officers would require the applicant to undertake a TRICS after study and provide TfL and Camden with the results on completion of the development. TfL would then be able to update the TRICS database with the trip generation results for the various use categories associated with this development. Officers would seek to secure the necessary after-surveys and results by Section 106 agreement as part of the Travel Plan review and monitoring process.

Cycle parking

16.9 DP18 requires developments to sufficiently provide for the needs of cyclists. Camden’s minimum cycle parking standards are contained in Appendix 2 of the Camden Development Policies document and are outlined below. The London Plan also provides guidance on minimum cycle parking standards and these are outlined in Table 6.3 of the London Plan (see below).

Land use		Long-stay	Short-stay
A1	non-food retail	from a threshold of 100 sqm: first 1000 sqm: 1 space per 250 sqm thereafter: 1 space per 1000 sqm	from a threshold of 100 sqm: first 1000 sqm: 1 space per 125 sqm thereafter: 1 space per 1000 sqm
A2-A5	financial / professional services	from a threshold of 100 sqm: 1 space per 175 sqm	from a threshold of 100 sqm: 1 space per 40 sqm
	cafes & restaurants		
	drinking establishments		
	take-aways		
B1	business offices	inner/ central London: 1 space per 90 sqm outer London: 1 space per 150 sqm	first 5,000 sqm: 1 space per 500 sqm thereafter: 1 space per 5,000 sqm

16.10 This would equate to the following requirement to meet London Plan Standards:

- A1 – A3 2,138sqm = 6-13 Long Stay, 10-54 Short Stay
- B1 26,013sqm =289 Long Stay, 15 Short Stay
- Over all requirement = 295-302 Long Stay, 25-79 Short Stay

Camden Development requirements are as summarised in the table below.

A1- SHOPS, A2 - FINANCIAL & PROFESSIONAL SERVICES, A3 - RESTAURANTS AND CAFES, A4 - DRINKING ESTABLISHMENTS, A5 - HOT FOOD TAKEAWAYS	
Vehicle Type	Standard
Cycles	Staff - from threshold of 500 sq m, 1 space per 250 sq m or part thereof. Customer - from threshold of 500 sq m, 1 space per 250 sq m or part thereof.
B1 - BUSINESS	
Vehicle Type	Standard
Cycles	Staff - from threshold of 500 sq m, 1 space per 250 sq m or part thereof. Visitor - from threshold of 500 sq m, minimum of 2 if any visitors are expected, plus any additional spaces needed to bring the total number up to 10% of the visitors likely to be present at any time.

16.11 This would equate to the following requirement to meet Camden Development Policies:

- A1 – A3 2,138sqm = 9 Long Stay, 9 Short Stay
- B1 26,013sqm =105 Long Stay, 4 Short Stay
- Overall requirement = 114 Long Stay, 13 Short Stay

16.12 The proposed development would supply 292 spaces for staff and 11 for visitors, a total of 303 Spaces. This exceeds Camden Development Standards, but falls short of London Plan Standards by 2 Long Stay spaces and 14 required minimum short stay spaces. The failure to meet the long stay spaces by 2 was agreed with the developer as the space is restricted in the basement with the existing cores and infrastructure and officers are happy to allow this in order to maintain excellence in design and access.

16.13 Officers consider that the London Plan requirement of 79 spaces would be extreme for this area and would not be possible due to the restrictions on site and on the surrounding public highways which has very high footfall. However officers would expect the developer to meet the minimum level of cycle parking for visitors of 15 which we propose is set as a condition. Officers would work with the developer to identify areas around or near the site where these could be placed appropriately.

16.14 The design of the cycle parking is in line with CPG7 Design Guidance and is deemed fit for implication, details have also been provided for showers and locker facilities which will help compliment the proposal and encourage its use. A condition is recommended to secure the proposed 292 long stay cycle parking spaces and 15 short stay spaces via condition if planning permission is granted.

Pedestrian movement through the site and public rights of way

16.15 This proposal will provide a new pedestrian way through the building, creating a safe and step free access that lines up the two adjoining roads Old Compton Street and New Compton Street. The new through route has been designed in

accordance with Camden's Design Guidance and will be able to accommodate wheelchair and disabled users to easily pass through and will be made available 24 hours a day, 7 days a week.

16.16 Metal gratings will be included on either end of the walk to allow the walk to be closed in case of an emergency or if it needs to be closed for public safety. It was considered if the walk should be closed at night, but we feel that this would create a trap for pedestrians expecting to be able to pass through to be caught surprised and could lead to crime or other anti-social behaviour. Therefore we have requested the walk to remain open for now, but we can require it to be closed if issues arise.

16.17 Some of the land that is proposed to be developed on is classified as an established right of way and a small area that is public highway. Due to the benefits of gaining Caxton Walk, we feel that this is acceptable and would only lead to a small net of loss of area for pedestrian movement. If planning permission is granted we would require an obligation set in the s106 for the Caxton Walk to remain open 24 hours a day, 7 days a week.

Management of construction impacts on the public highway in the local area

16.18 This development will require a significant amount of demolition, refurbishment and construction works. This will generate a large number of construction vehicle movements during the overall demolition and construction period in this busy central location. The West End Project, Camden's largest transport scheme, will be commencing soon in close proximity to this site and it will be essential that the Council co-ordinates works between the 2 to ensure there is no conflict or impact on the wider transport network. Officers' primary concern is public safety but we also need to ensure that construction traffic does not create (or add to existing) traffic congestion. Officers also need to ensure that there is no cumulative impact with other developments in the area. The proposal is also likely to lead to a variety of amenity issues for local people (e.g. noise, vibration, air quality).

16.19 The Council needs to ensure that the development can be implemented without being detrimental to amenity or the safe and efficient operation of the highway network in the local area. We are concerned especially about the impact on vulnerable road users during peak time, for example this is where the majority of cyclist death occurs. Transport for London has also expressed this concern and have requested that no HGV movements be allowed at peak times. "Heavy Good Vehicle movements should be optimised to avoid the AM and PM peak hours" TfL.

16.20 For this reason a Construction Management Plan (CMP) should be secured as a section 106 planning obligation, with an obligation that freight movement should be limited between 9:30am to 4:30 Monday to Friday and 8am till 1pm Saturdays, with no deliveries on Sunday and bank holidays unless agreed beforehand with Camden Council.

16.21 The Council has now adopted a CMP pro-forma and this is recommended to be completed as part of a section 106 agreement if planning permission is granted.

16.22 A CMP Implementation Support Contribution of £20,000 would also need to be secured as a Section 106 planning obligation if planning permission is granted. This a higher contribution that is normally taken this is due to the difficulties of constructing in such a densely developed area, proximity with major scheme such as the West End Project and Cross rail, improvements to Tottenham Court Road station and therefore additional work will be required by Council officers.

Deliveries & servicing and onsite parking

16.23 The Development would include the retention of 2 existing car parking spaces, which is a lease requirement, and an internal delivery bay in the basement, accessed directly from Stacey Street. To allow for the construction of the new pedestrian link, the existing two-way car park ramp would be narrowed at its entrance. The vehicle access would be controlled by a new traffic light system, which would enable the two-way movement of vehicles for the small number of vehicle movements generated (4 to 6 per hour). The car park would accommodate 2 parking bays, servicing and operational needs. The maximum size good vehicles which could access the basement car park would be a 4.6m Light Goods Van (LGV).

16.24 The main servicing point for the site would be located on Stacey Street in a similar manner to how the site is managed at the moment. This will not present an issue as the entrance into the servicing bay is clear of any major pedestrian desire lines and would have very little impact on the passers-by. The entrances for the ground floor depot would be altered slightly to facilitate the alignment of the new pedestrian connection through the building; this would be primarily used for refuse collection.

16.25 The primary service ramp would remain unchanged and leads into the service yard located in the basement, which is substantial and would be able to easily accommodate the uplift in deliveries. However, due to the size of the building, it would be advisable to require a Servicing Management Plan if planning permission is granted to be set as an obligation to allow us to agree and monitor the best way for utilising these facilities.

Pedestrian, cycling, environmental and public realm improvements

16.26 The Council is currently implementing the West End Project a £41 million development to encourage walking and cycling as the primary modes of transport. This development will increase the footfall of people using this area and traveling to and from the site each day, this will put additional burden on the surrounding roads and will to reduced pedestrian comfort. Officers would therefore wish to include improvements in the vicinity to better facilitate the new users, encourage the use of more sustainable transport and reduce overcrowding issues. We seek to secure a financial contribution of £539,596.33 as a section 106 planning obligation; this contribution is based on a similar site in the area and has been calculated to reflect the size of this development.

Highway and Public Realm Improvements directly adjacent to the site

16.27 The summary page of Development Policy DP21 states that 'The Council will expect works affecting Highways to repair any construction damage to transport infrastructure or landscaping and reinstate all affected transport network links and road and footway surfaces following development'. Any

damage will need to be repaired to facilitate the development. There will be no alteration to the existing street scape as part of these works.

16.28 We would therefore need to secure a financial contribution for highway works as a section 106 planning obligation if planning permission is granted. This would allow the proposal to comply with Development Policy DP21. A estimate has been submitted to our Highways team and will form part of the S106 if planning permission is granted.

Conclusion

16.29 Subject to conditions and planning obligations, the proposed development is acceptable in transport terms.

17 Safety and security

17.1 Policy CS17 and CPG1 (Design) are relevant with regards to secure by design.

17.2 The Metropolitan Police were consulted prior to the application being submitted and was involved in the design process. The Design Out Crime officer has no objections.

17.3 There are issues of anti-social behaviour in the area. The scheme must address these issues and create a safe and pleasant environment.

17.4 The proposal features the reinstatement of the route connecting Old Compton Street and New Compton Street. Increasing permeability encourages natural surveillance and discourages anti-social behaviour. Council officers have been in discussion with the applicant over whether the new passageway should be gated at night. Some local residents and the Design Out Crime officer, have raised concerns regarding the passageway being open at night. It is recognised that this route could attract anti-social behaviour, however, it is considered better for the route to be open than to close gates that would create dead-end areas. Caxton Walk suffers from anti-social behaviour at present, largely due to being a dead-end space. The proposed through-route has been designed to be straight and therefore offers no hiding places. The area outside of the gates at the western end of the route is overlooked directly by the lobby and can be monitored by the security staff (who will be on site 24hrs). In addition, this area would be covered by CCTV. At the northern end of the route, the entrance is overlooked by an A1/ A3 retail unit on each side and will also be covered by CCTV. Given the above, officers consider that it is preferable for the route to remain open and a section 106 head of term is recommended requiring this. Should the passage being open at night give rise to anti-social behaviour then the applicant could apply to the Council to remove this obligation, although a justification would be required.

17.5 The office reception would be controlled. A management company would be responsible for managing CCTV in and around the site.

18 Refuse and recycling

18.1 Policies CS18, DP26 and Camden Planning Guidance 1 (Design) are relevant with regards to waste and recycling storage and seek to ensure that appropriate storage for waste and recyclables is provided in all developments.

18.2 With regards the office use on site, the applicant predicts the increase in the number of workers to be 1000. CPG8 (Planning Obligations) estimates that 12sqm is the space required for one employee, which would result in 806 employees. The applicant predicts that each employee would generate around 10 litres of waste per day which calculates as (1000 x 10) 10,000 litres per day. Non-recyclable waste would be compacted and recyclable waste would be stored in Eurobins or wheelie bins.

18.3 The Council's Environmental Services Officer has been consulted and has assessed the refuse and recycling storage and also the proposed waste collection arrangements and has no objections to the proposal. The Council's waste contractor was also consulted and has no objections.

19 Employment and training opportunities

19.1 The proposed development is large enough to generate significant local economic benefits. Policy CS19 and Camden Planning Guidance state that in the case of such developments the Council will seek to secure employment and training opportunities for local residents and opportunities for businesses based in the Borough to secure contracts to provide goods and services.

19.2 In line with CPG8, a range of training and employment benefits are to be secured in order to provide opportunities during and after the construction phase for local residents and businesses. This package of recruitment, apprenticeship and procurement measures will be secured via S106 / condition and will comprise:

- Local employment
- Employment and training contribution
- Construction apprenticeships and work placement opportunities through the King's Cross Construction Skills Centre
- Local Procurement
- 8 work apprenticeships

19.3 The proposals are therefore in accordance with the guidance set out in CPG5 and policies CS8 and DP13 of the LDF.

20 Planning obligations

20.1 The following contributions are required to mitigate the impact of the development upon the local area, including on local services. These heads of terms will mitigate any impact of the proposal on the infrastructure of the area.

Contribution	Amount (£)
Employment and training contribution	259,529
Off-site housing	2.1 million
Highways	<i>To be confirmed</i>
Pedestrian, cycling and environmental contributions	539,596.33
CMP monitoring/implementation support	20,000
Monitoring and reviewing the Travel	6,020

Plans for a period of 5 years	
TOTAL	2,925,145.33 + highways contribution

21 Mayor of London's Crossrail CIL

21.1 The proposal will be liable for the Mayor of London's Community Infrastructure Levy (CIL). Based on the Mayor's CIL charging schedule and the information provided as part of the application, the Mayoral CIL is based at £50 per sqm (Camden is in charging Zone 1). The proposed uplift is 8,138.6sqm. The Mayoral CIL payment therefore calculates at 8,138.6 x £50 per sqm = **£406,930**. This would be collected by Camden after the scheme is implemented and could be subject to surcharges for failure to assume liability, submit a commencement notice and late payment, and subject to indexation in line with the construction costs index.

22 Camden CIL

22.1 The proposal would be liable for the Camden Community Infrastructure Levy (CIL). The site is located within Zone A. The charge for offices in this zone is £45/sqm. Therefore the estimate based on the uplift of floorspace and the proportion of commercial floorspace proposed, the Camden CIL liability is **£366,237**.

23 CONCLUSION

23.1 The proposal would provide a significant increase in office use with an estimated increase in 1,000 jobs on the site. The proposals would deliver modern, flexible and accessible offices which would be a great improvement on the existing accommodation. Officers accept that on-site housing is not appropriate and consider that the proposed financial contribution towards housing is welcomed and would strongly aid the delivery of affordable housing in the locality. The proposed Class A1 and A3 uses would contribute to the vitality of the area.

23.2 The proposal would not significantly harm any heritage assets in the area. The proposed elevations are a significant upgrade on the existing, with a character, richness and architectural merit that responds to its many contexts.

23.3 The provision of the route though would bring benefits in terms of permeability and townscape.

23.4 The proposed development would not materially impact on amenity in terms of overlooking or noise. With regards to loss of daylight and sunlight, there would be some impact, though this impact is considered acceptable on balance, given the number of affected habitable rooms and the overall benefits of the scheme.

23.5 The proposal is acceptable in transport terms subject to conditions and section 106 obligations.

23.6 Officers are of the view that the employment, architectural benefits of the proposal are substantial. The contribution towards affordable housing in the area is also considered a significant benefit, as is the provision of the new

through route. Given the above, on balance, the proposals are considered acceptable.

24 RECOMMENDATIONS

1.1 Planning Permission is recommended subject to conditions and a Section 106 Legal Agreement covering the following Heads of Terms:-

Affordable housing

- Payment in lieu of £2.1M for off-site housing; to be spent:
 - A) on the Tybald's estate scheme
 - B) within Holborn and Covent Garden ward
 - C) south of Euston Road
- Should additional residential floorspace be provided on the site, there would be a cumulative assessment of affordable housing requirement
- Deferred affordable housing contribution

Employment and training

- The applicant should work to CITB benchmarks for local employment when recruiting for construction-related jobs as per clause 8.28 of CPG8.
- The applicant should advertise 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.
- The applicant should provide a specified number (to be agreed) of construction and non-construction work placement opportunities of not less than 2 weeks each, to be undertaken over the course of the development, to be recruited through the Council's King's Cross Construction Skills Centre or our work experience broker.
- If the build costs of the scheme exceed £3 million the applicant must recruit 1 construction apprentice or non-construction apprentice per £3million of build costs and pay the council a support fee of £1,700 per apprentice as per clause 8.25 of CPG8. Recruitment of construction apprentices should be conducted through the Council's King's Cross Construction Skills Centre.
- If the value of the scheme exceeds £1 million, the applicant must also sign up to the Camden Local Procurement Code, as per section 8.30 of CPG8.
- The S106 should broker a meeting between the end user and the Economic Development team to discuss our employment and skills objectives.
- The applicant provide a local employment, skills and local supply plan setting out their plan for delivering the above requirements in advance of commencing on site.
- In accordance with CPG 8.32, we would also request an employment and training contribution, to be secured through the S106 agreement, which would be used to support initiatives which create and promote employment and training opportunities and to support local procurement initiatives in Camden. This contribution would be £259,529 and calculated as follows:

Energy and sustainability

- Sustainability measures to be secured through S106 sustainability plan indicating BREEAM Excellent level and minimum credit targets in Energy (60%), Materials (40%) and Water (60%).
- energy provisions to be secured through S106 EE&RE plan – 22.87% beyond Part L 2013 AND 4% reduction through renewables
- £225,450 carbon offset contributions to be stated in S106.
- Decentralised energy future proofing clause in S106 to be included.

Landscaping, trees and open space

- Open space improvements to be completed within 6 months of occupation

Transport

- A walkways agreement – to ensure that developer would not take away public right of way of approved through route, without prior agreement with the Council
- The through route shall remain open 24 hours a day, 7 days a week unless otherwise agreed in writing by the Council
- Servicing Management Plan
- Construction Management Plan (CMP) and associated requirement for limiting freight movement between 9:30am to 4:30 Monday to Friday and 8am till 1pm Saturdays, with no deliveries on Sunday and bank holidays unless agreed beforehand with Camden Council
- CMP Implementation Support Contribution of £20,000
- Financial contribution for highway works (amount to be confirmed)
- Financial contribution for pedestrian, cycling and environmental improvements in the general vicinity of the site (i.e. aspects of the wider vision for public realm improvements within the public highway).
- Final Travel Plan, including the appointment of a Travel Plan Co-ordinator
- Financial contribution of £6,020 to cover the costs of monitoring and reviewing the travel plan over a 5 year period.
- Construction Management Plan (CMP). The CMP shall be approved prior to any works starting on site and the approved plan shall be followed, unless otherwise agreed with the Highway Authority. It should also restrict HGV movement to and from the site to within the hours of 9:30 to 16:30 Monday to Friday, 8 till 13:00 Saturdays and fully restrict movement on Sundays and Bank Holidays.
- Planning obligation to secure a financial contribution of £20,000 for CMP monitoring.
- Workplace Travel Plan (TP) for the development. The TP shall be approved prior to the first occupation of the site and the approved plan shall be followed, unless otherwise agreed with the Highway Authority. The applicant must undertake a TRAVL after survey and to provide TfL and Camden with a copy of the results as part of the travel plan review and monitoring process.
- A planning obligation to secure a financial contribution of £6,020 to cover the costs of monitoring and reviewing the Travel Plans for a period of 5 years.
- A planning obligation to secure a financial contribution to cover the cost of public highway and public realm improvement works in the general vicinity of the site. These works would include repaving of the

carriageways and footways on Shaftesbury Avenue, Stacey Street, Phoenix Street and Charing Cross Road. The Highway Authority reserves the right to construct the adjoining Public Highway (carriageway, footway and/or verge) to levels it considers appropriate. An estimate for the cost of the public highway and public realm improvement works will be calculated and provided by the Highways Delivery Team in Engineering Services, and this will be provided separately once available. An informative should also be placed on the planning permit, which states that planning permission does not guarantee that public highway and public realm improvement works will be implemented as proposed as they are always subject to further public consultation, detailed design, and approval by the Highway Authority.

- A planning obligation to secure a financial contribution towards Pedestrian, Cycling, Environmental, and Public Realm improvements in the vicinity of the site.

25 LEGAL COMMENTS

- 1.2 Members are referred to the note from the Legal Division at the start of the Agenda.

26 Conditions

	<p>Three years from the date of this permission</p> <p>This development must be begun not later than three years from the date of this permission.</p> <p>Reason: In order to comply with the provisions of Section 92 of the Town and Country Planning Act 1990 (as amended).</p>
	<p>Approved drawings</p> <p>The development hereby permitted shall be carried out in accordance with the following approved plans:</p> <p>Existing plans</p> <ul style="list-style-type: none"> • 231_P10.000, 231_P10.001, 231_P10.100, 231_P10.101, 231_P10.102, 231_P10.103, 231_P10.104, 231_P10.105, 231_P10.106, 231_P10.107, 231_P10.108, 231_P10.109, 231_P10.110, 231_P10.111, 231_P10.112, 231_P10.113, 231_P10.200, 231_P10.201, 231_P10.202, 231_P10.203, 231_P10.204, 231_P10.205, 231_P10.206, 231_P10.207, 231_P10.300, 231_P10.301, 231_P10.302, 231_P10.303, 231_P10.304, 231_P10.305. <p>Proposed plans</p> <ul style="list-style-type: none"> • 231_P20.001, 231_P20.100 1, 231_P20.101 B, 231_P20.102 A, 231_P20.103 A, 231_P20.104 A, 231_P20.105 A, 231_P20.106 A, 231_P20.107 A, 231_P20.108 A, 231_P20.109, 231_P20.110 A, 231_P20.111 A, 231_P20.112 A, 231_P20.113 B, 231_P20.115 A, 231_P20.116 A, 231_P30.000 A, 231_P30.001 A, 231_P30.002 A,

231_P30.003, 231_P30.004 A, 231_P30.005 A, 231_P30.006 A, 231_P30.007, P30.011, P30.012, 231_P30.013, 231_P40.001, 231_P40.002 A, 231_P40.003 A, 231_P40.004 A, 231-01-DetailFacade, WIE SA 05 0004 A01, 231_SK1694.

Documents

- Air Quality Assessment (Waterman) September 2016, Demolition and Construction Works Management & Logistics Plan (Outline) (A. I. A.) August 2016, Daylight and Sunlight Report (GIA) September 2016, Daylight and Sunlight Addendum - Trentishoe Mansions and 1A Phoenix Street (GIA) 28/11/2016, Letter from GIA (17/03/2017), Drainage Strategy (Waterman) September 2016, Economic Benefits Statement (Volterra) September 2016, Energy Strategy (RES) September 2016, Financial Viability Statement (Gerald Eve) September 2016, Flood Risk Assessment (AKT II Ltd) September 2016, Historic Environment Desk-Based Assessment (Waterman) September 2016, Housing Study (DSDHA) September 2016, Planning Noise Assessment (Waterman) September 2016, Planning Statement (Gerald Eve) September 2016, Preliminary Ecological Appraisal (Waterman) September 2016, Preliminary Environmental Risk Assessment (Waterman) September 2016, Site Waste Management Plan (Waterman) September 2016, Statement of Community Involvement (London Communications Agency) September 2016, Sustainability Statement (RES) September 2016, Transport Assessment (Waterman) September 2016, Townscape and Visual Impact Assessment (Peter Stewart Consultancy/Miller Hare Ltd) September 2016, Design and Access Statement (DSDHA) September 2016, Design and Access Statement – Addendum (DSDHA) November 2016, Arboricultural Development Report (tree: fabrik) September 2016, Site Waste Management Plan (Waterman) September 2016, Framework Travel Plan WIC10216TP-001 (Waterman) January 2017.

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

Detailed drawings/samples

Detailed drawings, or samples of materials as appropriate, in respect of the following, shall be submitted to and approved in writing by the Council before the relevant part of the work is begun:

a) Plan, elevation and section drawings, including jambs, head and cill, of all external windows and doors at a scale of 1:10.

b) Samples and manufacturer's details at a scale of 1:10, of all facing materials including windows and door frames, glazing, and brickwork with a full scale sample panel of brickwork, spandrel panel and glazing elements of no less than 1m by 1m including junction window opening demonstrating the proposed colour, texture, face-bond and pointing.

A sample panel of all facing materials should be erected on-site and approved by the Council before the relevant parts of the work are commenced and the development shall be carried out in accordance with the approval given.

	<p>The relevant part of the works shall then be carried in accordance with the approved details</p> <p>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.</p>
	<p>External fixtures</p> <p>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 buildings, without the prior approval in writing of the Council.</p> <p>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.</p>
	<p>Refuse and recycling</p> <p>Prior to first occupation of the offices, the refuse and recycling storage areas shall be completed and made available for occupants and shall be retained thereafter.</p> <p>Reason: To safeguard the amenities of the future occupiers and adjoining neighbours 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.</p>
	<p>Details of gates</p> <p>Prior to installation, details of the proposed gates to the through route, including a sample shall be submitted to and approved in writing by the Local Planning Authority. The gates shall only be erected in accordance with the approved details.</p> <p>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.</p>
	<p>Roof terraces</p> <p>No flat roofs within the development shall be used as terraces, unless they are marked as such on the approved plans, without the prior express approval in writing of the Local Planning Authority.</p> <p>Reason: To safeguard the amenities of the future occupiers and adjoining</p>

	<p>neighbours 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.</p>
	<p>Hours of use – Class A3 restaurants</p> <p>The Class A3 restaurants hereby approved shall not open outside of the hours of 08:00 to 22:30 Monday to Saturday and 09:00 to 21:30 hours on Sunday.</p> <p>Reason: To ensure that the amenity of occupiers of residential properties in the area is not adversely affected by noise and disturbance.</p>
	<p>Landscape</p> <p>No development shall take place until full details of hard and soft landscaping have been submitted to and approved in writing by the local planning authority. Such details shall include planting for biodiversity and access to nature. Guidance on landscape enhancements for biodiversity is available in the Camden Biodiversity Action Plan: Advice Note on Landscaping Schemes and Species Features. The relevant part of the works shall not be carried out otherwise than in accordance with the details thus approved.</p> <p>Reason: To ensure that the development achieves a high quality of landscaping which contributes to the visual amenity and character of the area, and helps to provide and experience of nature in an area of deficiency in access to nature; in accordance with the requirements of policy CS14 and CS15 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.</p>
	<p>Living roof</p> <p>Prior to commencement of development full details of a biodiverse, substrate-based extensive living roof shall be submitted to and approved in writing by the local planning authority. The development shall not be carried out otherwise than in accordance with the details thus approved and shall be fully implemented before the premises are first occupied. Guidance on living roofs is available in the Camden Biodiversity Action Plan: Advice Note on Living Roofs and Walls.</p> <p>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.</p>
	<p>SUDS – details</p> <p>Prior to commencement of the development, full details of the sustainable drainage system shall be submitted to and approved in writing by the local planning authority. Such a system should be designed to accommodate all</p>

	<p>storms up to and including a 1:100 year storm with a 30% provision for climate change, such that flooding does not occur in any part of a building or in any utility plant susceptible to water, and shall demonstrate a 50% reduction in run off rate (with maximum site run-off rate of 50.4 l/s). Details shall include a lifetime maintenance plan, and shall thereafter retained and maintained in accordance with the approved details.</p> <p>Reason: To reduce the rate of surface water run-off from the buildings and limit the impact on the storm-water drainage system in accordance with policies CS13 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.</p>
	<p>SUDS - Evidence of installation</p> <p>Prior to occupation, evidence that the system has been implemented in accordance with the approved details (INSERT REFERENCE) as part of the development shall be submitted to the Local Authority and approved in writing. The systems shall thereafter be retained and maintained in accordance with the approved maintenance plan.</p> <p>Reason: To reduce the rate of surface water run-off from the buildings and limit the impact on the storm-water drainage system in accordance with policies CS13 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.</p>
	<p>Rainwater harvesting</p> <p>Prior to commencement of any development other than site clearance & preparation details of the feasibility of rainwater recycling proposals should be submitted to the local planning authority and approved in writing. The development shall thereafter be constructed in accordance with the approved details.</p> <p>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) of the London Borough of Camden Local Development Framework Core Strategy.</p>
	<p>Solar PV Condition</p> <p>Prior to relevant stage of construction, detailed plans showing the location and extent of photovoltaic cells to be installed on the building shall have been submitted to and approved by the Local Planning Authority in writing. The measures shall include the installation of a meter to monitor the energy output from the approved renewable energy systems. The cells shall be installed in full accordance with the details approved by the Local Planning Authority and permanently retained and maintained thereafter.</p> <p>Reason: To ensure the development provides adequate on-site renewable</p>

	<p>energy facilities in accordance with the requirements of policy CS13 of the London Borough of Camden Local Development Framework Core Strategy and policy DP22 of the London Borough of Camden Local Development Framework Development Policies.</p>
	<p>Bird and bat boxes</p> <p>Details of bird and bat nesting features (boxes or bricks) shall be submitted to and approved in writing by the Local Planning Authority prior to works commencing on site. Features should be integrated into the fabric of the building, unless otherwise agreed by the Local Planning Authority. Details shall include the exact location, height, aspect, specification and indication of species to be accommodated, in line with the recommendations in the Preliminary Ecological Appraisal. Boxes shall be installed in accordance with the approved plans prior to the first occupation of the development and thereafter maintained. Guidance on biodiversity enhancements including artificial nesting and roosting sites is available in the Camden Biodiversity Action Plan: Advice Note on Landscaping Schemes and Species Features.</p> <p>Reason: To ensure the development provides the appropriate provision towards creation of habitats and valuable areas for biodiversity in accordance with policy 7.19 of the London Plan 2011 and Policy CS15 of the London Borough of Camden Local Development Framework Core Strategy.</p>
	<p>Water efficiency</p> <p>The development hereby approved shall achieve a maximum internal water use of 105litres/person/day, allowing 5 litres/person/day for external water use. Prior to occupation of each Plot, evidence demonstrating that this has been achieved shall be submitted and approved by the Local Planning Authority.</p> <p>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).</p>
	<p>Non-road mobile machinery</p> <p>All non-Road mobile Machinery (any mobile machine, item of transportable industrial equipment, or vehicle – with or without bodywork) of net power between 37kW and 560kW used on the site for the entirety of the [demolition and/construction] phase of the development hereby approved shall be required to meet Stage IIIA of EU Directive 97/68/EC. The site shall be registered on the NRMM register for the [demolition and/construction] phase of the development.</p> <p>Reason: To safeguard the amenities of the adjoining occupiers, the area generally and contribution of developments to the air quality of the borough in accordance with the requirements of policies CS5 (Managing the impact of growth and development) and CS16 (Improving Camden’s health and wellbeing) of the London Borough of Camden Local Development Framework Core Strategy and policies DP32 (Air quality and Camden’s Clear Zone) and DP22 (Promoting sustainable design and construction) of the London Borough</p>

	of Camden Local Development Framework Development Policies.
42	<p>Tree protection</p> <p>Prior to the commencement of any works, details demonstrating how trees to be retained both on and off site shall be protected during construction work shall be submitted to and approved by the Council in writing. Such details shall follow guidelines and standards set out in BS5837:2012 "Trees in Relation to Construction" and should include details of appropriate working processes in the vicinity of trees, a tree protection plan and details of an auditable system of site monitoring. All trees on the site, or parts of trees growing from adjoining sites, unless shown on the permitted drawings as being removed, shall be retained and protected from damage in accordance with the approved protection details."</p> <p>Reason: In order to ensure the development undertakes reasonable measures to take account of trees and biodiversity 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.</p>
	<p>Noise levels</p> <p>The noise level in rooms at the development hereby approved shall meet the noise standard specified in table 2 of BS8233:2014 for internal office space.</p> <p>Reason: To ensure that the amenity of occupiers of the development site and surrounding premises is not adversely affected by noise and vibration.</p>
	<p>Plant and equipment</p> <p>Prior to commencement of the development, details shall be submitted to and approved in writing by the Council, of the external noise level emitted from plant/ machinery/ equipment and mitigation measures as appropriate. The measures shall ensure that the external noise level emitted from plant, machinery/ equipment will be lower than the lowest existing background noise level by at least 10dBA as assessed according to BS4142:2014 at the nearest and/or most affected noise sensitive premises, with all machinery operating together at maximum capacity. A post installation noise assessment shall be carried out where required to confirm compliance with the noise criteria and additional steps to mitigate noise shall be taken, as necessary. Approved details shall be implemented prior to occupation of the development and thereafter be permanently retained.</p> <p>Reason: To ensure that the amenity of occupiers of the development site/ surrounding premises is not adversely affected by noise from plant/mechanical installations/ equipment.</p>
	<p>Anti-vibration</p> <p>Prior to use, machinery, plant or equipment or any extract/ ventilation system and ducting at the development shall be mounted with proprietary anti-vibration isolators and fan motors shall be vibration isolated from the casing and</p>

	<p>adequately silenced and maintained as such.</p> <p>Reason: To ensure that the amenity of occupiers of the development site and surrounding premises is not adversely affected by vibration.</p>
	<p>Cycle parking</p> <p>Prior to first occupation, the following bicycle parking shall be provided:</p> <ul style="list-style-type: none">- secure and covered parking for 292 long stay cycle parking spaces- 15 short stay spaces via condition if planning permission is granted. <p>All such facilities shall thereafter be retained.</p> <p>Reason: To ensure that the scheme makes adequate provision for cycle users in accordance with policy CS11 of the London Borough of Camden Local Development Framework Core Strategy, policies DP16, DP18, DP19 and DP26 of the London Borough of Camden Local Development Framework Development Policies, the London Plan and CPG7 (Transport).</p>

27 Informatives

1	<p>Indicative highways works</p> <p>The proposed highway works must be treated as indicative at this stage as planning permission does not guarantee that the proposed highway and public realm improvements would be implemented in their current form. Such proposals are always subject to further investigation, consultation, detailed design, and approval by the Highway Authority (in this case the Council).</p>
2	<p>CMP Implementation Support Contribution</p> <p>An advice note providing further information on this financial contribution is available on the Council's website at the hyperlink below:</p> <ul style="list-style-type: none"> • http://www.camden.gov.uk/ccm/content/environment/planning-and-built-environment/two/planning-applications/making-an-application/supporting-documentation/planning-obligations-section-106/
3	<p>CMP Pro-Forma</p> <p>The Council have a pro-forma that is recommended to be prepared once a Principal Contractor has been appointed. The CMP, in the form of the pro-forma, would need to be approved by the Council prior to any works commencing on site. A Key element of the CMP should address (amongst others) best practice guidelines in TfL's Standard for Construction Logistics and Cyclist Safety (CLOCS) scheme:</p> <ul style="list-style-type: none"> ○ http://www.clocs.org.uk/standard-for-clocs/
4	<p>Thames Water – surface water drainage and sewage</p> <p>With regard to surface water drainage it is the responsibility of a developer to make proper provision for drainage to ground, water courses or a suitable sewer. In respect of surface water it is recommended that the applicant should ensure that storm flows are attenuated or regulated into the receiving public network through on or off site storage. When it is proposed to connect to a combined public sewer, the site drainage should be separate and combined at the final manhole nearest the boundary. Connections are not permitted for the removal of groundwater. Where the developer proposes to discharge to a public sewer, prior approval from Thames Water Developer Services will be required. They can be contacted on 0800 009 3921. Reason - to ensure that the surface water discharge from the site shall not be detrimental to the existing sewerage system.</p> <p>There are public sewers crossing or close to your development. In order to protect public sewers and to ensure that Thames Water can gain access to those sewers for future repair and maintenance, approval should be sought from Thames Water where the erection of a building or an extension to a building or underpinning work would be over the line of, or would come within 3 metres of, a public sewer. Thames Water will usually refuse such approval in respect of the construction of new buildings, but approval may be granted in some cases for extensions to existing buildings. The applicant is advised to contact Thames Water Developer Services on 0800 009 3921 to discuss the options available at this site.</p>

	<p>Thames Water would advise that with regard to sewerage infrastructure capacity, we would not have any objection to the above planning application.</p>
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APPENDIX 1 - Independent Viability Review (BPS)

125 Shaftesbury Avenue

Independent Viability Review

Prepared on behalf of the London Borough of Camden

December 2016

REDACTED VERSION



82 South Street, Dorking, RH4 2HD
www.bps-surveyors.co.uk
Tel: 01483 565 32

1.0 INTRODUCTION

- 1.1 We have been instructed by the London Borough of Camden ('the Council') to undergo an independent viability review of the currently proposed development at 125 Shaftesbury Avenue (application reference: 2016/5202/P). A Financial Viability Assessment has been prepared by Gerald Eve on behalf of the applicant, Almacantar Shaftesbury S.A.R.L. Gerald Eve's assessment includes input from the following specialist consultants:
- Cushman & Wakefield - Office and retail values
 - Gardiner & Theobald - Construction costs and programme
 - DSDHA - Architect
 - A.I.A. Consulting - Construction management and logistics
 - Montagu Evans - Existing use value
- 1.2 The purpose of this Viability Review is to determine the maximum level of provision of housing and affordable housing by the scheme, while ensuring it remains economically viable. We have instructed a specialist office agent, Wright & Partners, to undertake an independent valuation of the proposed scheme as well as of a refurbishment option which has been used to estimate the site's Existing Use Value (EUV). In addition, we have received advice from our retained Cost Consultant, Neil Powling in respect of development costs and refurbishment costs.
- 1.3 The site extends to approximately 0.35Ha (0.86 acres) and is bound by Shaftesbury Avenue immediately to the south, Phoenix Street to the north, Stacey Street immediately to the east, and Charing Cross Road to the west. The immediate area is predominantly commercial, with the large majority of buildings having retail on the ground floor and offices above. The site is a 5 minute walk from Tottenham Court Road and Covent Garden Stations.
- 1.4 The applicant is the freeholder of the building. It was constructed in 1982 and comprises 11 floors including a basement level. The building was then extensively refurbished in 2003/2004. There appear to be no more recent planning applications submitted for this site other than the current application.
- 1.5 The upper floors have been used as offices (totally 141,171 ft²) since the building's construction and the ground floor consists of an office reception area and retail premises (33,882 ft²). The existing offices are now outdated with inefficient floorplates and core configuration. The ground floor retail premises will remain occupied by Nisbets throughout the proposed development, which will make the following changes to the building:
- "Remodelling, refurbishment and extension of existing office and retail building (Class B1/A1/A3/Suit Generis), including terraces, a new public route, a relocated office entrance (Charing Cross Road), rooftop plant and flexible retail uses (Classes A1/A3), along with associated highway, landscaping and public realm improvements"*
- 1.6 Camden Development Policy DP1 requires that where more than 200m² of additional floorspace is provided in a development, 50% of this uplift should be housing. Assessments should be undertaken to determine whether onsite provision, offsite provision or a payment in lieu is most appropriate.
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- 1.7 Under Development Policy DP3, the Council's affordable housing target is 50%. For this development, the expectation would be that 4,042m² of residential floorspace is delivered, of which 2,021m² would be required as affordable housing. The total additional floorspace proposed is 8,083m² GEA. We understand that for schemes delivering over 1,000 sq m of additional non-residential floorspace, the sliding scale approach will not be applied and the requirement will be that 50% of the housing is delivered as affordable housing.
- 1.8 Policy DP1 generally requires housing to be delivered *on-site*, especially in respect of schemes where the uplift in floorspace is over 1,000 sq m. However, the policy also states that, "*Where inclusion of a secondary use is appropriate for the area and cannot practically be achieved on the site, the Council may accept a contribution to the mix of uses elsewhere in the area, or exceptionally a payment-in-lieu.*"
- 1.9 Our review has had regard to the National Planning Policy Framework (2012) and National Planning Practice Guidance (2014), as well as relevant RICS Guidance. We have taken into account policies in the London Plan (2015), the Camden Core Strategy (2010) and the Camden Development Policies (2010) regarding affordable housing and housing provisions. We have had regard to the recent London Borough Viability Protocol (November 2016) and the Mayor's Draft Affordable Housing and Viability SPG (2016).
- 1.10 Gerald Eve's Financial Viability Assessment incorporates their Housing Study which concludes that it is unfeasible to accommodate residential floorspace on-site. In addition, they conclude that the development's viability is negative and therefore it cannot support a Mixed Use Payment in respect of the housing shortfall, or a payment in lieu of affordable housing delivery. The applicant is, however, currently offering to provide the following contributions, which are incorporated within Gerald Eve's appraisal:
- Mayoral CIL of £492,696
 - Crossrail payment of £880,817
 - Camden CIL of £792,236
 - "Mixed use payment" of £2,100,00 - towards housing *and* affordable housing
 - S106 Contributions of £197,174
 - Total: £4,462,923
- 1.11 While the £2.1m payment incorporates payments in lieu of housing *and* affordable housing, it is not clear how this figure has been calculated and what proportion of each payment type it is comprised of.
- 1.12 The shortfall in housing delivery is 4,070m² (GEA), to which we apply the Council's £1,350 per sq m multiplier to reach a maximum "mixed use payment" of £5,493,555. It our understanding (as per policy CPG8) that this multiplier factors in a payment towards *affordable* housing as well, therefore an additional payment towards affordable housing would not be required. Therefore the total payment of £2.1m falls short of the full payment by £3,393,555.
- 1.13 Our Viability Review will seek to scrutinise the values and costs inputted into Gerald Eve's appraisal in order to establish whether the above planning contributions are the maximum that can reasonably be provided. This Viability
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Review does not constitute a 'Red Book' valuation, meaning that Valuation Practice Statements 1-4 of the Red Book (RICS Valuation - Professional Standards, January 2014) are not of mandatory application. The Valuation Date for this Viability Review is the date of this report, as stated on the title page. This Viability Review has been undertaken in accordance with the Terms & Conditions provided to the Council and with any associated Letters of Engagement, and should only be viewed by those parties that have been authorised to do so by the Council.

- 1.14 As part of our Viability Review, we undertook an internal inspection of the building on 10th November 2016.

Summary of Wright & Partners report

- 1.15 We have instructed Wright & Partners to undertake a valuation of the existing building (refurbished) and of the proposed scheme once it has been completed. More specifically, they have considered the following:

An assessment of the current property (refurbished) in relation to:

- Achievable rental values
- Target occupier market
- Likely level of letting incentives required
- Likely marketing and void periods and other allowances
- Any works which may be required to enable the property to be let. In this context we have our own QS who could provide a cost in respect of these works if an outline were provided
- Likely investment yield

An assessment of the proposed development in relation to:

- Achievable rental values
 - Target occupier market
 - Likely level of letting incentives required
 - Likely marketing and void periods and other allowances
 - Likely investment yields
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2.0 CONCLUSIONS & RECOMMENDATIONS

- 2.1 Gerald Eve's development appraisal is on a present-day basis, meaning that it adopts current costs and values. This is a suitable approach, which is consistent with the NPPG and the Mayor's Draft Affordable Housing & Viability SPG (2016). This present-day model shows a Profit on Cost of 6.4%, and an IRR of 8.9%. This falls substantially short of the profit target of 20% on Cost. The total profit shortfall shown in Gerald Eve's appraisal is £45.16m. This appraisal includes the "planning obligations package" of £4,462,923 which we understand is the applicant's current offer. This offer incorporates a £2.1m payment which is towards both housing provision and affordable housing provision.
- 2.2 With respect to the proposed development, Wright & Partners are broadly in agreement with the valuation of the completed scheme, including the rents, rent free periods and yields applied. Our Cost Consultant, Neil Powling, has reviewed the proposed scheme's Cost Plan and benchmarked it against BCIS average tender prices, and has concluded that costs these are realistic. His full report is in Appendix One.
- 2.3 A Land Value of £130m has been inputted as a cost into Gerald Eve's appraisal. This figure has been provided by Montagu Evans, and is the *minimum* EUV they consider to be justified. This EUV estimate assumes a refurbishment of the building. Wright & Partners have undertaken their own independent estimate of the rents achievable once the building has been refurbished. This estimate is £1.59m higher than Montagu Evans' estimate, which can be explained by the fact that Wright & Partners have assumed a higher level of refurbishment cost expenditure. Our Cost Consultant has reviewed the refurbishment costs that Montagu Evans have adopted, and considers these to be realistic, taking into account that the building was refurbished in 2003/2004 and will not require full replacement of all fittings, and that the basement and ground floor retail will not require refurbishment. Overall, we are therefore broadly in agreement with the costs and values applied in this EUV estimate.
- 2.4 Whilst Wright & Partners do suggest a longer rent free period (21 months) for the refurbished office space than the 12 months used by Montagu Evans, this adjustment would have a limited impact on the EUV and therefore a limited impact on the overall deficit of the proposed scheme. In addition, the longer void period suggested by Montagu Evans' counteracts the impact of this longer rent free on the existing use value.
- 2.5 The profit shortfall shown by for the proposed scheme is largely the result of the different profit targets for the refurbishment scheme (10% Profit on Cost) and the proposed scheme (20% Profit on Cost), which is justified due to the latter's higher risk and longer length. At 4.75 years in total, this is a considerable period over which a return on capital employed will be required. This is demonstrated by the Internal Rate of Return (IRR) of the scheme, which is only 8.9%, thus considerably below commonly required levels of target IRR. An IRR approach has the benefit of being 'time-weighted', thus takes into account the length of the development and the timings of receipts and expenditures. This lends further support to the conclusion that the proposed scheme falls considerably short of delivering a competitive return.
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- 2.6 Residual valuations are highly sensitive to changes in costs and values over time, therefore we recommend that the Council considers seeking agreement to a deferred contributions mechanism, based on outturn costs and values, so that if improvements in viability result in a profit surplus being generated, this can trigger the payment of additional housing and affordable housing contributions.
- 2.7 With respect to Gerald Eve's Housing Study (which is appended to their Viability Assessment report), this in our view appears to comprehensively demonstrate that it is commercially unfeasible to incorporate private housing and/or affordable housing on-site. In addition, it shows that such on-site housing would not comply with planning policies, including for example in respect of aspects and natural light; and we have been informed that Planning Officers have now agreed with the applicant's conclusion that on-site delivery is unfeasible.
- 2.8 The applicant is still exploring with the Council a number of options for off-site housing delivery, at alternative sites. This would therefore require further discussion with Planning Officers.
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3.0 GERALD EVE HOUSING STUDY

- 3.1 We have reviewed the Housing Study, which seeks to demonstrate that the scheme cannot realistically incorporate on-site housing and/or affordable housing. Based on our assessment of the building, we agree with (among others) the following key points which indicate that on-site housing is unfeasible:
- Units would be single aspect
 - Units would be north-east and north-west facing
 - Poor outlook
 - Lack of private amenity space
- 3.2 The above issues have been considered by Planning Officers, and we have been informed that they have now agreed with the applicant's conclusion that on-site delivery is unfeasible.
- 3.3 The Housing Study is highly detailed and comprehensive, and considers eleven different Options - i.e. ways in which residential could be incorporated into the building, but each of these is discounted as being unfeasible.
- 3.4 Policy D1 sets out the Council's a 'cascade' approach whereby once it has been shown that housing cannot be delivered on-site, the next step is to demonstrate that the developer is unable to acquire an alternative site on which housing can be delivered. As such, Cushman & Wakefield have undertaken a search of potential sites. We understand that discussions over possible off-site solutions, potentially on Council-owned land, are ongoing.
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4.0 LAND VALUE

Introduction

- 4.1 Gerald Eve have adopted a Land Value of £130m. This has been arrived at after considering three approaches:
- The site was purchased in September 2013 for £112m. Gerald Eve has applied the London Office Land Index to inflate this up to a present-day value of £137m.
 - The second approach taken by Gerald Eve is to consider comparable land transactions. This generates a value of £172.5m.
 - Existing Use Value of £130m, estimated by Montagu Evans.
- 4.2 The Land Value adopted by Gerald Eve therefore equates to the £130m EUV, which Montagu Evan states is the *minimum* EUV they consider to be justified. Their valuation assumes that vacant possession is secured in 2017 followed by a refurbishment of the building and re-letting. But they do point out that a higher EUV could be generated by an asset management strategy wherein existing tenants are retained where suitable and where refurbishment takes place on a floor-by-floor basis. We agree with this logic and that it could potentially act to increase the EUV.
- 4.3 Montagu Evans' EUV report has been considered by us (BPS) as well as Wright & Partners in their valuation of the building assuming refurbishment, and by our Cost Consultant Neil Powling in his review of the refurbishment costs.

Existing Use Value - refurbishment costs

- 4.4 Montagu Evans have adopted a 'basic' level of refurbishment costs. The capital costs are cited in their report as £33,599,045. We requested a breakdown of the costs, and Gerald Eve have responded by noting that, "*The £33,599,045 is the total discounted value of all the capital costs that are set out in the valuation appraisal. There is £30,810,311 for the refurbishment and the associated contingency, professional fees, profit. The other £2,788,734 is itemised throughout the valuation under the capital cost headings for the various floors/units and relates to lettings and legal costs and empty rates.*"
- 4.5 Montagu Evans have made the following comments regarding the existing building and extent to which it needs to be refurbished in order to achieve the rent levels assumed in their Existing Use Valuation:

"The Property, including the reception area and common parts, already offers a reasonable underlying level of specification (having been refurbished in 2002-2005), meaning that a basic level of refurbishment could return any vacant floors back to the market in a decent condition. We have not been provided with any cost estimates for a refurbishment of this nature (given the Company's more comprehensive 'development' proposals) and therefore have had regard to BCIS cost estimates for the refurbishment of air-conditioned, 6 storey (plus) office buildings in Camden. Based on these criteria, the 'highest' cost is estimated at £1,593 per sq m, which equates to £148.00 per sq ft. For the purposes of our

appraisals, we have adopted £150.00 per sq ft. This has been applied to the estimated gross internal floor area of the office accommodation (i.e. it excludes the retail units and basement car park areas) to give a total estimated refurbishment cost of approximately £25,000,000. To this figure we have added professional fees (8%) and a contingency allowance (5%). Further to this, we have allowed for costs of financing the refurbishment works at 5% (per annum) and a profit allowance of 10%.”

- 4.6 Our Cost Consultant, Neil Powling, has considered the above refurbishment cost estimate and has reached the following conclusions:

“The Existing building is 245,000ft² (FVA 2.6). It appears reasonable to me that the quality of the refurbishment should be similar whether to refurbish the existing building as it is, or refurbish as part of the scheme to extend and refurbish. Either way the refurbished building has to be appropriate to the current market in that area.

“I have therefore taken the Application £/m² rates for shell and core works and fit out works plus an allowance for external works and external services. I have added preliminaries, OHP and contingency at the same rates as the Application scheme. There is also an uplift applied to the detailed costs to the figures in their summary of the cost plan that is not explained, but for now I have applied the same uplift”.

- 4.7 Neil is aware that the building was refurbished in 2003/2004, thus he has considered whether this would alter his opinion regarding the costs of refurbishment. He has informed us that if the assumption made is that many of the fittings (including the suspended ceilings) would be entirely replaced, the age and condition of the existing fittings would not be a key factor. However, he notes that a cost-conscious refurbishment, making use of those existing fittings that are in serviceable condition, could lead to cost savings and reduce his estimate. We note that Montagu Evans state that, *“The Property, including the reception area and common parts, already offers a reasonable underlying level of specification (having been refurbished in 2002-2005), meaning that a basic level of refurbishment could return any vacant floors back to the market in a decent condition.”* Neil has taken these comments into account and further responded:

“Using the figures below but taking the overall GIA of 245,000ft² gives a total of £41.674m.....The difference [with Montagu Evans’ lower cost calculation] is that refurbishing the offices only and using their area for offices of approx. 166,000ft² gives a total of £28.35m. If we accept that only the office space is refurbed, their cost seems reasonable. The net cost for offices and reception in their doc is 142,753ft² - but the difference might be toilets and service core etc.”

- 4.8 We agree with all the other cost assumptions that have been adopted by Montagu Evans - i.e. professional fees (8%), contingency (5%), finance costs and profit. The finance costs are calculated up to the point of completion of the refurbishment, and after this the ‘time value of money’ is dealt with via a discounting of the incomes that will be received once the void periods and rent free periods are over, therefore we are satisfied that the entire development period has been accounted for. With respect to the profit, this is in line with typical levels required to provide a competitive return over the refurbishment period. By comparison, the below profit rates have been applied in respect of other schemes:

- 31-32 Alfred Place - experienced office agent undertook a conventional residual valuation to determine the value of an office refurbishment scheme, and used a developer's profit of 15% on Cost. Extensive works were required. The works to the adjoining building were less extensive, so no profit added to these costs.
- Oliver's House, 51-53 City Road - extensive office refurbishment. Agent undertook a residual valuation and included a 15% profit on Cost.
- Merchant's Hall, 46 Essex Road - extensive office refurbishment. Agent applied a 15% profit on GDV in the office refurbishment appraisal. The agents' client would have 'benefitted' from a higher profit target as this would have made this office scheme less viable and would therefore reduce the surplus available for contributions towards affordable workspace. Therefore they had no interest in under-estimating the profit target.
- Diorama, Park Square East - extensive office refurbishment and reconfiguration. Specialist agent's target profit of 15% on Cost.

4.9 Given the extent of the refurbishment, we consider 10% profit on Cost to be realistic. Moreover, these comparable profit levels demonstrate that a profit in excess of 15% on Cost is necessary for the proposed scheme, as it involves considerably more works than just a refurbishment and has a longer development period.

4.10 The average void period assumed is 12 months in Montagu Evans' appraisal. This compares to the 9 month void period estimated by Wright & Partners. As a longer void has the effect of pushing down the EUV, this means Montagu Evans' have been somewhat cautious with this assumption.

Existing Use Value - rents

4.11 With respect to the rents estimated in the appraisal, these are discussed further below in our summary of Wright & Partners' conclusions, and in their report which we reproduce in Appendix Two. As we show in the table below, Wright & Partners' estimate is £1.59m higher than Montagu Evans' estimate, which strongly indicates that the latter's estimate is reasonable and indeed conservative.

Floor	Floor areas (sq ft)	Wright & Partners' estimated Market Rent	Total estimated rent	Evans' estimated Market Rent	Total estimated rent
9 th Floor	6,500	£73.00	£474,500	£70.00	£455,000
8 th Floor	7,670	£72.00	£552,240	£67.50	£517,725
7 th Floor	8,964	£72.00	£645,408	£65.00	£582,660
6 th Floor	16,359	£72.00	£1,177,848	£62.50	£1,022,438
5 th Floor	21,163	£72.00	£1,523,736	£60.00	£1,269,780
4 th Floor	19,318	£71.00	£1,371,578	£57.50	£1,110,785
3 rd Floor	19,405	£71.00	£1,377,755	£57.50	£1,115,788
2 nd Floor	20,880	£68.00	£1,419,840	£55.00	£1,148,400
1 st Floor	20,912	£68.00	£1,422,016	£55.00	£1,150,160
	141,171		£9,964,921		£8,372,735

4.12 Given that Montagu Evans assumed a relatively 'basic' level of refurbishment, they took this into account in their estimate of the rents, which are substantially lower

than their estimates for the proposed scheme. In conclusion, we are satisfied that the rents adopted by Montagu Evans are commensurate with their assumed level of refurbishment.

- 4.13 The rent free period is 12 months, assuming a 5 year term certain. By contrast, Wright & Partners assume an 18-21 month rent free which is predicated on a longer term certain of 10 years.

Existing Use Value - yield

- 4.14 A yield of 4.75% has been applied by Montagu Evans to the refurbished offices, which is a gross yield as they have then deducted purchaser's costs of 6.49% separately at the end of the valuation. This gross yield equates to a net yield of just over 5%. By comparison, Wright & Partners have adopted a gross yield of 5%. This is a limited difference of opinion, and it is clear that both figures fall within the range of realistic yields, as indicated by the detailed comparable evidence provided by both consultants.
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5.0 DEVELOPMENT COSTS - PROPOSED SCHEME

- 5.1 Our Cost Consultant, Neil Powling, has undertaken a review of the proposed scheme's Cost Plan which has been prepared by Gardiner & Theobald, and he has concluded that this cost estimate is reasonable. BCIS do not provide elemental data for works of rehabilitation and refurbishment. Neil therefore considers benchmarking the scheme as a new build scheme compared to a BCIS elemental format to be an appropriate option. His adjusted benchmarking yields a figure of £2,777/m² that compares to the Applicant's figure of £[REDACTED]/m². His full costs report is in Appendix One.
- 5.2 The profit target stated by Gerald Eve is 20% on Cost. This is in our experience a realistic profit requirement for a complex scheme such as this, having regard to the length of the development period and the risks associated with fluctuations to the office market. As we shown in para 4.8 and 4.9 above, the profit requirements for refurbishment schemes are typically 10-15%, and we therefore view a profit requirement in excess of 15% on Cost as being necessary for the proposed scheme, as it involves considerably more works than just a refurbishment and has a longer development period. Furthermore, recent advice we have received from specialist office agency Crossland Otter Hunt, in relation to another office redevelopment scheme, is that a profit on Cost of 15-20% is typically required by developers that are undertaking major refurbishments/reconfigurations to office buildings.
- 5.3 The finance costs are calculated based on a 7% interest rate, which is a standard benchmark rate and is adopted in the GLA Toolkit as its default rate. This calculation adopts a 31 month construction period. A development period has been created by A.I.A Consulting. For the retail units, no letting voids are included. For the offices, for Floors 7 and above there are no voids, while the below office floors have 3-12 month voids. Our Cost Consultant is satisfied that this is a realistic development period.
- 5.4 Professional Fees of 12.5% are reasonable for this type of scheme. Indeed, we have seen considerably higher levels of fee included for schemes involving upward extensions, which reflects the technical complexities of this type of project.
- 5.5 A contingency of 5% has been adopted, which again is consistent with typical benchmark rates. Likewise, the other minor cost inputs in the appraisal, including market allowances and agent's fees, are all at typical levels.
-

6.0 CAPITAL VALUES - PROPOSED SCHEME

- 6.1 The office rents applied by Cushman & Wakefield (the applicant's adviser) and Wright & Partners (W&P) to the proposed scheme's office space are broadly in line with each other. There are minor differences, such as W&P's £[REDACTED] per sqft lower rent for the upper floors.
- 6.2 The total rents in the appraisal are £[REDACTED], which are based on Cushman & Wakefield's estimates. Given that Wright & Partners' estimated rents per sq ft for each floor are mostly lower than those Cushman & Wakefield adopt, it is apparent that the latter's estimates are reasonable and not understated. We set out below their respective estimates:
- [REDACTED]**
- 6.3 There is a void period ranging from 0-12 months for the offices in Gerald Eve's appraisal, which we calculate at an unweighted average of 5 months. This compares to the average void of 9 months predicted by Wright & Partners.
- 6.4 The net yield applied by Gerald Eve to the office space is 4.5%. This compares to the Wright & Partners suggest yield of 4.5% gross, which is c.4.81% net. This is a minimal difference thus we would not advise that an adjustment to Gerald Eve's yield should be made.
- 6.5 The rent free period is 21 months. This is the same as Wright & Partners have used.
- 6.6 With respect to the rents applied to the retail space, these are not disputed by Wright & Partners.

Appendix One: Build Cost Review

Independent Cost Review by Neil Powling FRICS

December 2016

1 SUMMARY

- 1.1 The cost plan is on a current day basis - base date 2Q2016. Our benchmarking uses current BCIS data which is on a current tender firm price basis. The current all-in Tender Price Index for 2Q2016 is 289 and for 4Q2016 286. Both figures are forecasts and given the current volatility in price forecasts we do not consider any difference between 2Q2016 and 4Q2016 significant. Although described as a cost plan - the estimate is also described as an indicative order of cost at Stage 2/ planning. Many of the priced items and rates are broad or lump sums and we would expect considerable refinement and more detailed estimates as the project progresses to the next design stage and subsequent stages.
- 1.2 The totals of each section have been increased by 5.36% on the summary. There is no explanation for this addition. We have reflected this % addition throughout the elemental analysis.
- 1.3 The works detailed in the cost plan comprise extensive alterations and vertical extension including some horizontal extension through infilling light wells. The BCIS do not provide elemental data for works of rehabilitation and refurbishment. We consider that for this project benchmarking the scheme as a new build scheme compared to a BCIS elemental format to be an appropriate option.
- 1.4 Our adjusted benchmarking yields a benchmark figure of £2■■■■■² that compares to the Applicant's figure of £■■■■■m². Although the benchmarking relies on new build data for comparison to the Applicants costs - we consider the Applicants estimate to be reasonable.

2 METHODOLOGY

- 2.1 The objective of the review of the construction cost element of the assessment of economic viability is to benchmark the Applicant's costs against RICS Building Cost Information Service (BCIS) average costs. We use BCIS costs for benchmarking because it is a national and independent database. Many companies prefer to benchmark against their own data which they often treat as confidential. Whilst this is understandable as an internal exercise, in our view it is insufficiently robust as a tool for assessing viability compared to benchmarking against BCIS.
- 2.2 BCIS average costs are provided at mean, median and upper quartile rates (as well as lowest, lower quartile and highest rates). We generally use mean or occasionally upper quartile for benchmarking. The outcome of the benchmarking is little affected, as BCIS levels are used as a starting point to assess the level of cost and specification enhancement in the scheme on an element by element

basis. BCIS also provide a location factor compared to a UK mean of 100; our benchmarking exercise adjusts for the location of the scheme. BCIS Average cost information is available on a default basis which includes all historic data with a weighting for the most recent, or for a selected maximum period ranging from 5 to 40 years. We generally consider both default and maximum 5 year average prices; the latter are more likely to reflect current regulations, specification, technology and market requirements.

- 2.3 BCIS average prices are available on an overall £ per sqm and for new build work on an elemental £ per sqm basis. Rehabilitation/conversion data is available on an overall £ per sqm and on a group element basis i.e. substructure, superstructure, finishings, fittings and services - but is not available on an elemental basis. A comparison of the applicants elemental costing compared to BCIS elemental benchmark costs provides a useful insight into any differences in cost. For example: planning and site location requirements may result in a higher than normal cost of external wall and window elements.
 - 2.4 If the application scheme is for the conversion, rehabilitation or refurbishment of an existing building, greater difficulty results in checking that the costs are reasonable, and the benchmarking exercise must be undertaken with caution. The elemental split is not available from the BCIS database for rehabilitation work; the new build split may be used instead as a check for some, but certainly not all, elements. Works to existing buildings vary greatly from one building project to the next. Verification of costs is helped greatly if the cost plan is itemised in reasonable detail thus describing the content and extent of works proposed.
 - 2.5 BCIS costs are available on a quarterly basis - the most recent quarters use forecast figures, the older quarters are firm. If any estimates require adjustment on a time basis we use the BCIS all-in Tender Price Index (TPI).
 - 2.6 BCIS average costs are available for different categories of buildings such as flats, houses, offices, shops, hotels, schools etc. The Applicant's cost plan should ideally keep the estimates for different categories separate to assist more accurate benchmarking. However if the Applicant's cost plan does not distinguish different categories we may calculate a blended BCIS average rate for benchmarking based on the different constituent areas of the overall GIA.
 - 2.7 To undertake the benchmarking we require a cost plan prepared by the applicant; for preference in reasonable detail. Ideally the cost plan should be prepared in BCIS elements. We usually have to undertake some degree of analysis and rearrangement before the applicant's elemental costs can be compared to BCIS elemental benchmark figures. If a further level of detail is available showing the build-up to the elemental totals it facilitates the review of specification and cost allowances in determining adjustments to benchmark levels. An example might be fittings that show an allowance for kitchen fittings, bedroom wardrobes etc that is in excess of a normal BCIS benchmark allowance.
 - 2.8 To assist in reviewing the estimate we require drawings and (if available) specifications. Also any other reports that may have a bearing on the costs. These are often listed as having been used in the preparation of the estimate. If not provided we frequently download additional material from the documents made available from the planning website.
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- 2.9 BCIS average prices per sqm include overheads and profit (OHP) and preliminaries costs. BCIS elemental costs include OHP but not preliminaries. Nor do average prices per sqm or elemental costs include for external services and external works costs. Demolitions and site preparation are excluded from all BCIS costs. We consider the Applicants detailed cost plan to determine what, if any, abnormal and other costs can properly be considered as reasonable. We prepare an adjusted benchmark figure allowing for any costs which we consider can reasonably be taken into account before reaching a conclusion on the applicant's cost estimate.
- 2.10 We undertake this adjusted benchmarking by determining the appropriate location adjusted BCIS average rate as a starting point for the adjustment of abnormal and enhanced costs. We review the elemental analysis of the cost plan on an element by element basis and compare the Applicants total to the BCIS element total. If there is a difference, and the information is available, we review the more detailed build-up of information considering the specification and rates to determine if the additional cost appears justified. If it is, then the calculation may be the difference between the cost plan elemental £/m² and the equivalent BCIS rate. We may also make a partial adjustment if in our opinion this is appropriate. The BCIS elemental rates are inclusive of OHP but exclude preliminaries. If the Applicant's costings add preliminaries and OHP at the end of the estimate (as most typically do) we add these to the adjustment amounts to provide a comparable figure to the Applicant's cost estimate. The results of the elemental analysis and BCIS benchmarking are generally issued as a PDF but upon request can be provided as an Excel spreadsheet.
- 3 GENERAL REVIEW
- 3.1 We have been provided with and relied upon a hard copy of the Financial Viability Assessment together with its appendices issued by Gerald Eve dated September 2016.
- 3.2 The cost plan is on a current day basis - base date 2Q2016. Our benchmarking uses current BCIS data which is on a current tender firm price basis. The current all-in Tender Price Index for 2Q2016 is 289 and for 4Q2016 286. Both figures are forecasts and given the current volatility in price forecasts we do not consider any difference between 2Q2016 and 4Q2016 significant. Although described as a cost plan - the estimate is also described as an indicative order of cost at Stage 2/ planning. Many of the priced items and rates are broad or lump sums and we would expect considerable refinement and more detailed estimates as the project progresses to the next design stage and subsequent stages.
- 3.3 The cost plan includes an allowance of 15% for preliminaries and the allowance for overheads and profit (OHP) of 5%; we consider these allowances reasonable. The cost plan adds 10% for design development, but the appraisal includes the construction cost before this addition of £86,249,923 and adds a 5% allowance for contingency. We consider a 5% contingency reasonable and up to 10% appropriate for works to existing buildings.
- 3.4 The cost plan is divided into separate sections for: strip out works, demolition and structural alteration, façade replacement, commercial and retail shell & core works, commercial CAT A fit out and external works. We have extracted each of these sections into our elemental analysis and aggregated them for comparison to a BCIS elemental analysis.
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3.5 The totals of each section have been increased by 5.36% on the summary. There is no explanation for this addition. We have reflected this % addition throughout the elemental analysis.

3.6 The area of the existing building is given as 145,000ft² (22,761m²). The total area (GIA) of the application scheme is 30,912m² comprising commercial 24,963m², retail 2,100m² and plant/ service/ back of house 3,849m².

3.7 The works detailed in the cost plan comprise extensive alterations and vertical extension including some horizontal extension through infilling light wells. The BCIS do not provide elemental data for works of rehabilitation and refurbishment. We consider that for this project benchmarking the scheme as a new build scheme compared to a BCIS elemental format to be an appropriate option.

3.8 We have calculated a blended rate for benchmarking using new build data as follows:-

3.9 Blended calculation for conversion

	BCIS	Blended
Commercial	████████	████████
Retail	████████	████████
Plant/serv/BoH	████████	████████
	-----	-----
	████████	████████

3.10 Blended calculation for new build

	GIA m ²	%	BCIS £/m ²	Blended £/m ²
Commercial	████████	████████	████████	████████
Retail	████████	████████	████████	████████
Plant/serv/BoH	████████	████████	████████	████████
	-----	-----		-----
	████████	████████		████████

3.11 We have downloaded current BCIS data for benchmarking purposes including a Location Factor for Camden of 124 that has been applied in our benchmarking calculations.

3.12 Please refer to our “Elemental analysis and BCIS benchmarking”, below.

3.13 Our adjusted benchmarking yields a benchmark figure of £██████/m² that compares to the Applicant’s figure of £██████/m². Although the benchmarking relies on new build data for comparison to the Applicants costs - we consider the Applicants estimate to be reasonable.

████████

Appendix Two: Wright & Partners Report & Valuation

REPORT AND VALUATION

125 SHAFTESBURY AVENUE, LONDON WC2

REGARDING A PLANNING APPLICATION

BY

ALMACANTAR SHAFTESBURY SARL

TO

THE LONDON BOROUGH OF CAMDEN

REPORT BY ANDREW C MARRIOTT FRICS MCIARB

1. Introduction

1.1. I am appointed by BPS Surveyors who are advising the London Borough of Camden on the viability of a planning application submitted by Almacantar S.A.R.L. which submits that the development they have proposed is not viable as it cannot support the provision of housing on site (as required by planning policy), on site affordable housing or a payment in lieu of housing and affordable housing.

1.2. My appointment is to advise on the office (and part retail) aspect of the existing and proposed development and in this respect my report is to be in two sections as follows:

- a) An assessment of the current unimproved property relating to achievable rental values, the target occupier market, the likely level of letting incentives required and the likely marketing and void periods and other allowances necessary. At the same time I am to cover any works that may be required to enable the property to be let. Finally, I am to provide my opinion of the likely investment yield.
- b) The second section is to be in relation to the proposed development and a similar report incorporating the aspects mentioned above as for the existing building.

1.3. With regard to documentation, I have been provided with a copy of The Financial Viability Assessment from Gerald Eve dated September 2016 and the Montagu Evans Report and Valuation dated 28th November 2016.

2. Qualifications and experience

2.1. I am a Fellow of the Royal Institution of Chartered Surveyors and a member of the Chartered Institute of Arbitrators.

2.2. I have been in private practice since 1973 based in Holborn, WC1 and moved to Wright & Partners in 1984. I have always dealt with central London offices, both acquisitions and lettings as well as rent reviews and lease renewals.

2.3. I have been a panel member of the RICS for appointments as Arbitrator and Independent Expert since 1992 and frequently receive appointments to act as Third Party for properties in Holborn and Covent Garden as well as the West End. I have given Awards/Determinations for the following Midtown properties:

125 Shaftesbury Avenue, WC2 – First Floor

199-204 High Holborn

Fox Court, Gray's Inn Road, WC1

Mid City Place, 71 High Holborn, WC1

26 Red Lion Square, WC1

1 Waterhouse Square, 138-142 Holborn, EC1 – Second and Third Floors

Grand Buildings, Strand, WC2 – Part Fourth Floor
Golden Cross House, Duncannon Street, WC2

2.4. In accordance with best practice and the RICS Guidance (paragraph 4.5.4 RICS Viability in Planning) I confirm this report has not been prepared on the basis of performance related or contingent fees or similar arrangements. I further acknowledge and confirm that in undertaking this assessment I have acted reasonably, fairly and with transparency.

3. The subject property

3.1. The property is located on the edge of the Covent Garden area of Midtown, close to its border with Soho. The property is surrounded by entertainment, shopping and restaurant amenities. Covent Garden includes much of London's "theatre land", the Royal Opera House, as well as numerous museums, galleries, cinemas, bars, clubs and restaurants; it also includes a prime fashion retail area centred around the main (Piazza) market square, Neal Street, James Street and Long Acre.

3.2. The property forms a large part of an island site situated at the junction of Shaftesbury Avenue and Charing Cross Road, also being bound by Phoenix Street and Stacey Street to the rear (north and east). The property has frontages to all four streets, but does not include buildings on the corner of Shaftesbury Avenue and Charing Cross Road, which also provide retail at ground floor level with offices above.

3.3. The office content has the following net floor areas:

9 th Floor	-	6,500 sq ft
8 th Floor	-	7,670 sq ft
7 th Floor	-	8,964 sq ft
6 th Floor	-	16,359 sq ft
5 th Floor	-	21,163 sq ft
4 th Floor	-	19,318 sq ft
3 rd Floor	-	19,405 sq ft
2 nd Floor	-	20,880 sq ft
1 st Floor	-	20,912 sq ft

Total **141,171 sq ft**

There is a ground floor office reception area.

The retail element is as follows:

98-100 Charing Cross Road -	13,185 sq ft
96 Charing Cross Road	- 9,165 sq ft
Unit 5, The Mall	- 669 sq ft
121 Shaftesbury Avenue	- 9,651 sq ft
123 Shaftesbury Avenue	- 1,212 sq ft

Total **33,882 sq ft**

3.4. The property comprises a large and prominent office and retail building developed in 1982 arranged over basement, ground and a maximum of nine upper floor levels, occupying a site of around 1.2 acres with road frontages on four sides (but excludes the buildings on the corner of Charing Cross Road and Shaftesbury Avenue.

3.5. It is of reinforced concrete frame construction, with red brick facades, stepping back from street level at sixth floor and above. The property extends to a total net floor area of approximately 175,000 sq ft, including office and retail space and ancillary basement areas, but excluding car parking.

3.6. We understand that the property was subject to an extensive refurbishment in 2003/2004 having the following internal specification:

- Refurbished reception area accessed from Shaftesbury Avenue
 - Four 16 person passenger lifts from the main core, plus two 12 person passenger lifts from the secondary core; lifts from the secondary core only serve up to the sixth floor
 - Ducted ceiling fan coil air-conditioning
 - Raised access floors
-

- Suspended metal tiled ceilings, with average clear floor to ceiling heights of 2.50 metres incorporating inset lighting
- Male and female and disabled WC facilities on each floor;
- Car, motorcycle spaces and bicycle storage at basement level;

The air conditioning is supplied via the metal tiled suspended ceiling which is on a 400 x 400 mm grid. This form of ceiling is likely to have been installed at the time of the 2004 refurbishment. The windows are double glazed and can be opened in the event of an emergency.

3.7. The basement has 21 car parking spaces. In addition, two telecommunications companies have licences for aerials on the roof of the building.

At ground floor and basement level are five retail units; two of the units are accessed from Shaftesbury Avenue and two are accessed from Charing Cross Road, with a further small unit to the rear of the building accessed from Phoenix Street. The retail units have a total net internal floor area of 33,882 sq ft, split between a ground floor/mezzanine area of 24,706 sq ft and a basement area of 9,176 sq ft.

4. Rental comparables

4.1. Office demand in central London remains relatively buoyant although there has been some evidence of lengthening rent free periods since the EU Referendum took place in June and some trimming of asking rents. In general terms occupiers of large refurbished office floors (of around 10,000 sq ft or more) are let on terms of ten years term certain whereas smaller office units can often incorporate a tenant only break option at the fifth year or earlier. In applying an appropriate rent for the building, either refurbished or brand new, I have considered the following recent letting evidence derived from buildings of a Grade A specification :

a) Grand Buildings, 1-3 Strand, WC2 – part fourth floor

CQS (UK) LLP took 28,018 sq ft on a ten year lease at a rent of £85.00 per sq ft in February 2016. No lease breaks were incorporated.

b) The Adelphi, 1-11 John Adam Street WC2

The Economist Group has taken 26,801 sq ft on the 6th floor which is new refurbished air conditioned space with views over the river Thames. A 15 year lease was signed with the prime space let at £85.00 per sq ft. Some of the accommodation was at the rear of the building where a rent of £69.50 per sq ft was obtained.

c) 164 Shaftesbury Avenue, WC2

Hogarth Worldwide Limited have taken a floor of offices in their existing building by way of a lease assignment expiring October 2018. The passing rent equating to £57.50 per sq ft which was a result of a rent review in October 2013.

d) 179-199 Shaftesbury Avenue, WC2

A company called ONE has taken 6,058 sq ft of refurbished eighth floor accommodation on a 10 year lease at a rent equivalent to £80.00 per sq ft. The lease was signed in May 2016 and a 3 month rent free period was granted. The tenant was unrepresented.

e) 77 Shaftesbury Avenue, W1

- i. Quayle Monroe took 6,035 sq ft on a ten year lease from October 2016 at a rent of £82.50 per sq ft subject to a rent review and tenant option to break at year five. An initial ten month rent free period was granted and a further six months if the tenant break option is not instigated. This floor has the benefit of a 460 sq ft roof terrace.
- ii. Mettler Limited have taken 4,656 sq ft of the part 2nd floor on a 5 year lease equating to £68.00 per sq ft with a mutual option to break at year three. There was an initial five month rent free period followed by a further three months if the break is not instigated.
- iii. There are currently three floors available to let within the building:

5th Floor - 9,526 sq ft

4 th Floor	-	10,140 sq ft
3 rd Floor	-	10,753 sq ft

The asking rent in each case was £77.50 per sq ft. This has now been reduced to £70.00 per sq ft which has, apparently, resulted in an increased number of viewings. This is a refurbished 1985 building extending to 68,500 sq ft over basement, ground and five upper floors with ground floor retail. A comprehensive refurbishment took place and was completed by February 2016.

f) 151 Shaftesbury Avenue, WC2

Although not a letting comparable, this building came onto the market in mid November 2016. The fifth floor of 6,500 sq ft has been fully refurbished and the ground floor reception area improved. The asking rent is £75.00 per sq ft with an expectation of obtaining £71/£72 per sq ft.

g) 100 New Oxford Street

The property comprises a six storey office building that has been comprehensively refurbished on 3rd to 6th floors to provide 55,876sq ft of Grade A accommodation. The refurbishment included an expanded entrance hall, four new lifts, showers, bicycle racks and car parking. The refurbished floors benefit from four pipe fan coil air conditioning, raised access floors and a metal plank and plasterboard ceiling.

- In February 2016, Outbrain leased 6,080 sq ft of fourth floor office space on a two year sublease at headline rent of £70.00 per sq ft subject to one months' rent free.
- In August 2015, Stanhope leased 14,327 sq ft of second floor office space on a 10 year lease at a headline rent of £72.50 per sq ft

The property is located on New Oxford Street, opposite Tottenham Court Road Underground Station. The building has been comprehensively refurbished to Grade A standard but is somewhat hindered by the narrow floor plates and pillars.

5. Investment comparables

a) **1 Chancery Lane, WC2**

The freehold of this 15,000 sq ft building was sold in October 2016 to Amsprop for £17,250,000 reflecting a price per sq ft of £1,148. This is an office/retail investment with rent reviews coming up in late 2017 and 2018, thus the existing rent is reversionary. The price paid equates to a net initial yield of 3.9%.

b) **Thavies Inn House, 1-6 Holborn Circus, EC1**

This is an older style office building that has been refurbished over the years being multi let to a number of different companies including the London School of Business and Finance. In October 2016 the property was sold for £33m reflecting a net initial yield of 4.33%. Again, the income is reversionary with a number of rent reviews coming up in 2017. The property currently produces a rental income of around £1.5m and the sale price (long leasehold) reflects £653.00 per sq ft.

c) **8 Gate Street, WC2**

The freehold of this 11,678 sq ft building was sold in June 2016 for £11.45m reflecting a net initial yield of 4.91%. The building is let in its entirety on a full repairing and ensuring lease expiring March 2021. The building having an overall rent of £51.42 per sq ft. The sale breaks back to a net initial yield of 4.91%.

d) **100-110 High Holborn, WC1**

This is a relatively modern 87,000 sq ft building, multi let with some ground floor retail. The total rental income is approximately £5.5m equating to around £51.50 per sq ft on the office accommodation.

The investment (part freehold, part leasehold) was sold in June 2016 for £98,750,000. This reflects a net initial yield of 5.29%.

e) **430-439 Strand, WC2**

This 138,000 sq ft building is arranged over lower ground, ground and four upper floors and is let to the Royal Bank of Scotland trading as Coutts for a further 20 years with annual RPI rent reviews (capped at 3% per annum). It is reversionary with the office rent currently reflecting £54.50 per sq ft overall. There is part retail on the ground floor and the tenure is long leasehold for a term expiring December 2132 at a rent of £1.5m per annum.

Royal Bank of Scotland paid £198m equating to a net initial yield of 4%.

f) **Tower House, Southampton Street WC2**

This is a 50,000 sq ft office building on the corner of Southampton Street and Tavistock Street being multi let producing an annual income of £3.1m per annum which reflects a net initial yield of 4.3% on the achieved price. This is a mixture of retail, offices and part residential.

Again, this is a reversionary investment with rents of £70 per sq ft having been achieved in 2014 and the most recent letting on the 7th and 8th floors achieving £83.50 per sq ft.

5.1. Market commentary from Costar suggests that investment in UK commercial property has fallen in the third quarter of 2016 to £8.7billion as opposed to quarter two (£12billion). The investment in central London offices fell 54% year on year.

5.2. Investment in the London market in terms of large deals was scarce with Wells Fargo's £300m acquisition of 33 Central in the City being one of only four transactions above £100m, down from fifteen a year earlier. However, the market was supported by the influx of foreign investors taking advantage of the weak pound. At the same time, vacancy rates are at historically low levels with property still offering an attractive yield over other assets such as gilts.

5.3. A key investment sale was that of 23 King Street SW1, a multi let office building developed by Standard Life and sold for £120m in September 2016 showing a net initial yield of 3.97%.

5.4. The conclusion reached by Costar is that average yields in London have increased in the third quarter of 2016, central London office yields having risen to their highest level to 4.35% having bottomed out at 4.00% in quarter four, 2015.

6. The proposed development

6.1. The proposal for the site is a comprehensive refurbishment and extension of an existing office building to provide 29,681 sq m (GEA – 319,486 sq ft) of office floor space and flexible retail use at ground level. This will be achieved by a partial deconstruction and strip out of the existing nine storey mixed use office and retail building which will be refurbished and extended to provide an eleven storey mixed use office and retail building.

6.2. The office areas on a net internal floor by floor basis will be as follows:

11 th Floor	-	2,788 sq ft
10 th Floor	-	11,259 sq ft
9 th Floor	-	13,315 sq ft
8 th Floor	-	25,123 sq ft
7 th Floor	-	7,987 sq ft
6 th Floor	-	25,123 sq ft
5 th Floor	-	25,995 sq ft
4 th Floor	-	26,835 sq ft
3 rd Floor	-	26,835 sq ft
2 nd Floor	-	26,878 sq ft
1 st Floor	-	23,681 sq ft
Ground Floor Reception	-	3,509 sq ft
Total		232,309 sq ft

6.3. The new development will be achieved by stripping back the existing frame of the building which will be re clad to provide Grade A air conditioned offices with raised access floors. The floor to ceiling height will be 2.9m on the four new

floors being added onto the existing building with the lower floors (1st - 6th) at 2.55m and the seventh at 2.7m.

- 6.4. The present office entrance will be re located to front onto Charing Cross Road with a double height reception area.
- 6.5. The retail component of the scheme will provide double height units resulting in a loss of retail (Class A1/A3) to 2,399 sqm (25,883 sq ft). There is currently a ground floor retail unit occupied by Nisbets fronting onto Shaftesbury Avenue which will be unaffected by the proposals as they have a long standing lease and will remain in the building throughout the proposed development works. Their retail unit will form part of the scheme upon completion. Nisbets occupy at 121 Shaftesbury Avenue a total of 9,651 sq ft. The net retail accommodation which will be accommodated by the proposed new scheme will be 17,566 sq ft.
- 6.6. The proposed new scheme will increase the number of passenger lifts serving the building to eight (as opposed to the existing six) and the WC accommodation will be accessible from the lift lobbies rather than being in the demised office areas.
- 6.7. The basement will be fitted out to provide cycle parking and changing/shower facilities.

7. The existing building - refurbishment

- 7.1. The floor areas are set out under paragraph 3 showing a total office content of 141,171 sq ft and the retail element of 33,882 sq ft.
 - 7.2. In order to maximise the likely rent to be obtainable, vacant possession of the building can be obtained in December 2017. I have asked the quantity surveyor from BPS to provide indicative costs for a refurbishment of the building to incorporate the following:
 - The entrance hall to be upgraded and finished in high quality light marble or limestone with appropriate lighting and reception desks.
 - All six lift cars to be refurbished and lift lobby the same and recarpeted.
-

- All existing WCs to be stripped out and replaced with modern fittings given the existing sanitary ware is some 12 years old.
- The existing suspended ceilings in the offices areas to be removed and new metal tiled suspended ceilings with LED lighting to be installed.
- Bicycle racks to be installed in the basement and the installation of showers/changing rooms to serve cyclists using the building.
- Re conditioning the air conditioning system.

7.3. It is anticipated a fifteen month void period following vacant possession of the building in December 2017 will be required to carry out the above refurbishment, thus marketing could commence in March 2019. The likely cost I have been advised would be approximately £■■■■ per sq ft (GIA), thus a total all up sum of £■■■■■■■■ not including any professional fees that may be appropriate.

8. The proposed development – office rentals

8.1. The proposed scheme will be in a prominent location fronting Charing Cross Road and will thus be well placed for access to Tottenham Court Road underground station (Central and Northern Line) and will benefit from the completion of Crossrail when completed.

8.2. It is impossible to identify where the tenant mix will come from but this area of London attracts a wide range of occupiers from media and technology companies through to the financial industries and professional firms.

8.3. The West End market has seen rents at a higher rate per sq ft on the top floors of buildings with a commensurate lower rate at lower levels. An actual example of this is the recent letting of the top floor of 77 Shaftesbury Avenue at £82.50 per sq ft (albeit with a small roof terrace), compared with the modification of the guide rent for the lower floors to £70.00 per sq ft. I would therefore expect a similar spread for the subject building.

8.4. I have mentioned earlier that the market indicates a longer lease term certain for a larger floor. This is borne out by a number of lettings that have taken place. For example, the letting of Ampersand, 180 Wardour Street where this 66,400 sq ft new office building was taken on a straight ten year term with only 12 months rent free in August 2015. In a more prime location, London

Executive Offices took the 1st – 3rd floors at 23 King Street, SW1 (24,000 sq ft) in September 2014 for a straight 15 year term with a rent free package totalling 24 months at a rent averaging £102.50 per sq ft. In January 2016 Palantir took a pre-let of 65,000 sq ft at 20 Soho Square on a 10 year lease at £74.00 per sq ft with 20 months' rent free. The very recent letting to Quayle Monroe of the top floor of 77 Shaftesbury Avenue totals 16 months' rent free should the tenant remain for the full ten years.

8.5. In conclusion, I believe the upper floors of the new scheme for the subject property would let at a headline rent of £80.00 per sq ft with a reduced level going down the building, particularly the first and second floor levels which suffer from a poor outlook. I reach this conclusion taking into account the expectation of rent for 151 Shaftesbury Avenue and the recent reduction in the asking rent for 77 Shaftesbury Avenue.

8.6. I would therefore estimate the approximate achievable headline rents to be as follows:

11 th Floor	-	2,788 sq ft	£80.00
10 th Floor	-	11,259 sq ft	£80.00
9 th Floor	-	13,315 sq ft	£79.00
8 th Floor	-	25,123 sq ft	£79.00
7 th Floor	-	7,987 sq ft	£79.00
6 th Floor	-	25,123 sq ft	£75.00
5 th Floor	-	25,995 sq ft	£73.00
4 th Floor	-	26,835 sq ft	£72.00
3 rd Floor	-	26,835 sq ft	£72.00
2 nd Floor	-	26,878 sq ft	£70.00
1 st Floor	-	23,681 sq ft	£68.00
Ground Floor Reception	-	3,509 sq ft	N/A

8.7. For the upper floors in the building (6th to 11th floors) it may be possible to achieve 15 year straight terms without tenant breaks. For the lower floors the average length of term is likely to be ten years without break. Past letting evidence suggests rent free periods ranging from between 12 and 15 months for ten years term certain but there is now evidence of rent free periods moving out slightly and, as will be apparent from the reduced rent at 77 Shaftesbury Avenue,

some trimming of rental expectations. As mentioned, the latter is incorporated in the above rents but in terms of rent free period I believe the market period as at November 2016 would be in the region of 18-21 months for a straight ten year term without break. On balance I would apply 21 months rent free as the appropriate incentive to take a ten year straight term. With regard to the upper floors, if 15 year straight terms are achieved then a 27 month rent free period would be appropriate.

9. The proposed development – investment yields

9.1. Details of investment comparables and commentary on the market appear under section 5 above.

9.2. Given the conclusion reached by CoStar average yields have moved out in the third quarter of 2016 to 4.35% this generally relates to prime locations in the City and the West End. The subject property is fringe Soho/Covent Garden and I believe an appropriate investment yield to reflect this would be 4.50%. This takes into account this being a mixed development.

10. The existing building – office rentals

10.1. Subject to a refurbishment being carried out to the specification set out under paragraph 7.2 above, I would expect the following rents to be achievable:

9 th Floor	-	6,500 sq ft	-	£73.00 per sq ft
8 th Floor	-	7,670 sq ft	-	£72.00 per sq ft
7 th Floor	-	8,964 sq ft	-	£72.00 per sq ft
6 th Floor	-	16,359 sq ft	-	£72.00 per sq ft
5 th Floor	-	21,163 sq ft	-	£72.00 per sq ft
4 th Floor	-	19,318 sq ft	-	£71.00 per sq ft
3 rd Floor	-	19,405 sq ft	-	£71.00 per sq ft
2 nd Floor	-	20,880 sq ft	-	£68.00 per sq ft
1 st Floor	-	20,912 sq ft	-	£68.00 per sq ft

10.2. The above are headline rents.

10.3. With regard to yields, because this is a refurbishment of an existing building with a relatively small entrance hall on Shaftesbury Avenue itself as opposed to the proposed scheme which will front onto Charing Cross Road, the yield will be wider than the new building which I have estimated at 4.5%. Subject to again being let on average lease terms of ten years in each case, I would expect the yield to be 5.00% on any sale once the building is fully let and subject to the existing retail tenancies and new retail lettings with the exception of Nisbets.

10.4. In terms of rent free periods I would not expect these to differ from the average 21 months I have applied in respect of the new build scheme.

11. Retail rents – existing and within the proposed new build scheme

11.1. The present retail rents total £915,750 including the rent of £202,750 p.a from Nisbets who will remain in the proposed new development on their existing lease. The other retail/A3 users' leases are capable of termination in December 2017 and in considering the projected income from then onwards a small uplift in this income stream would be appropriate as some of the leases date back to 2014/2015. This is likely to be de minimis, however.

11.2. The proposed new scheme will provide double height units with improved shop fronts that will wrap around the entirety of the ground floor providing more usable space.

11.3. The Cushman & Wakefield report (attached to the Gerald Eve Report) suggests an overall rent (including Nisbets) of £1,012,750 p.a for the retail/A3 element which seems reasonable. Rent free periods for the large retail units would be around 12 months, kiosks 4 months and the restaurant 9 months. This assumes leases between ten and twenty years with five yearly open market rent reviews.

12. Summary

12.1. In response to the brief I have been given I would summarise as follows:

1) The present building.

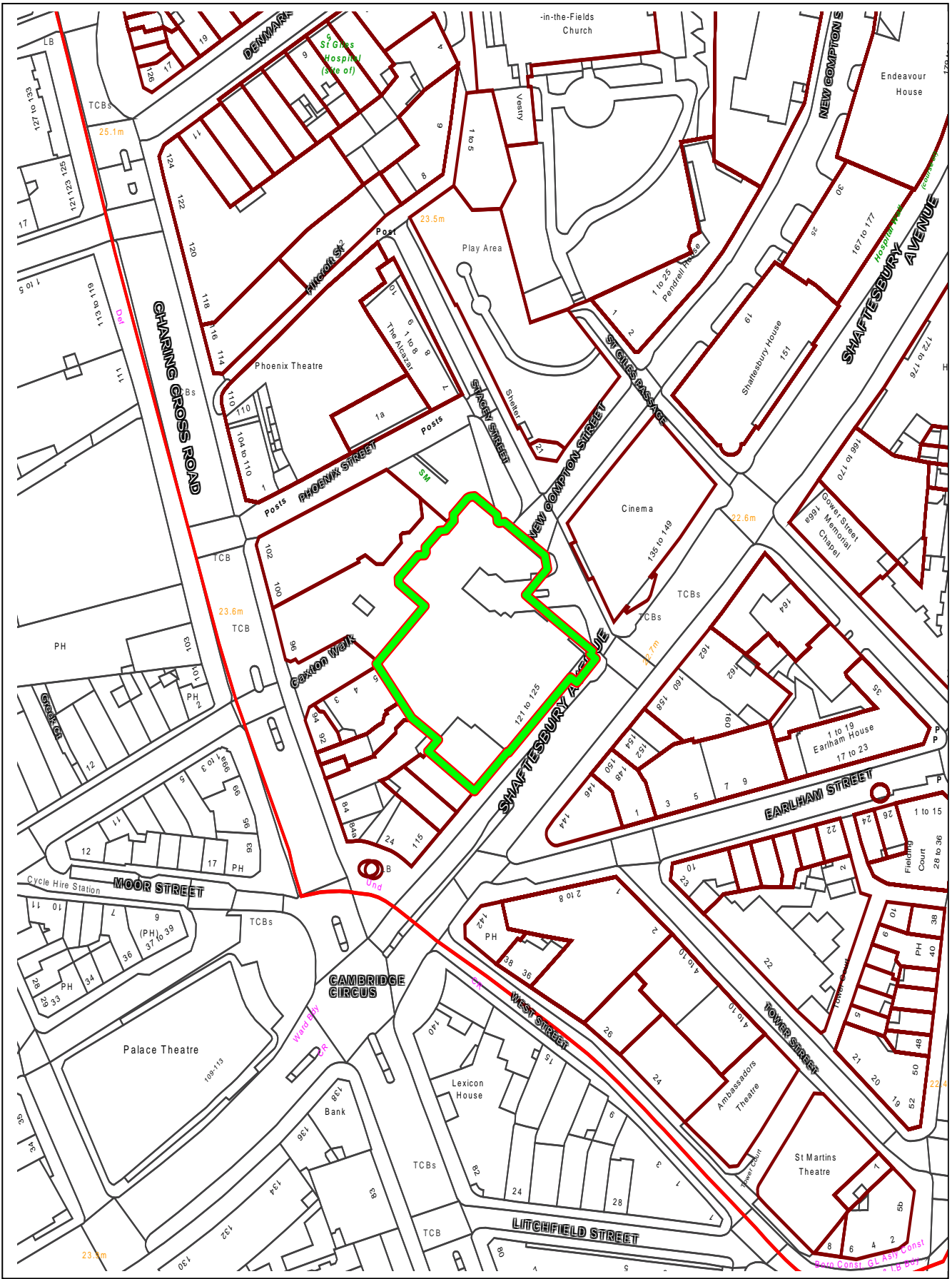
- a) I have set out in paragraph 10.1 above the achievable rents once a refurbishment is carried out and the premises placed on the market in Spring 2019. For the whole of the office building these rents total £9,964,921, say £9.95m per annum. The existing retail content would add a further £915,000, thus a total of £10.865m.
 - b) The target occupier market is likely to be a mixture including media, hi-tech, internet, professional and financial companies.
 - c) In order to achieve ten years term certain on a letting of a floor a 21 month rent free period should be allowed for.
 - d) It is anticipated the refurbishment will take 15 months following vacant possession of the property in December 2017 so marketing will commence in the Spring of 2019. In order to achieve lettings an average void period of 9 months should be allowed for, thus a total of 30 months from completion of the refurbishment works until a rental income stream is forthcoming.
 - e) A refurbishment to the standard outlined under clause 7.2 above has been costed by a quantity surveyor acting for BPS surveyors (details at paragraph 7.3 above) giving an overall cost of refurbishment exclusive of professional fees for the office content of £[REDACTED]m.
 - f) As stated in paragraph 10.3 above I would expect a yield of 5.00% on the sale of the refurbished existing building (once fully let) including the retail content on the ground floor.
- 2) In relation to the proposed development I would summarise as follows:
- a) The achievable rental values are set out in paragraph 8.6 above and for the office content comes to a total of £15,929,206 per annum, say £15.93m per annum.
 - b) The target occupier market is the same as above i.e. media, hi-tech, internet, professional and financial companies.
 - c) The likely level of letting incentives required will be 21 months for a ten year term certain.
-

- d) The likely average void period will be nine months from the date of marketing.
- e) The likely investment yield for the sale of the whole is 4.5%.
- f) The likely income stream for the redeveloped retail/A3 element is £1,012,750, thus a total of £16.94m per annum.

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Andrew C Marriott FRICS MCI Arb

30th November 2016



Application No: 2016/5202/P
125 Shaftesbury Avenue
London, WC2H 8AD

Scale:
1:1250
Date:
18-Apr-17



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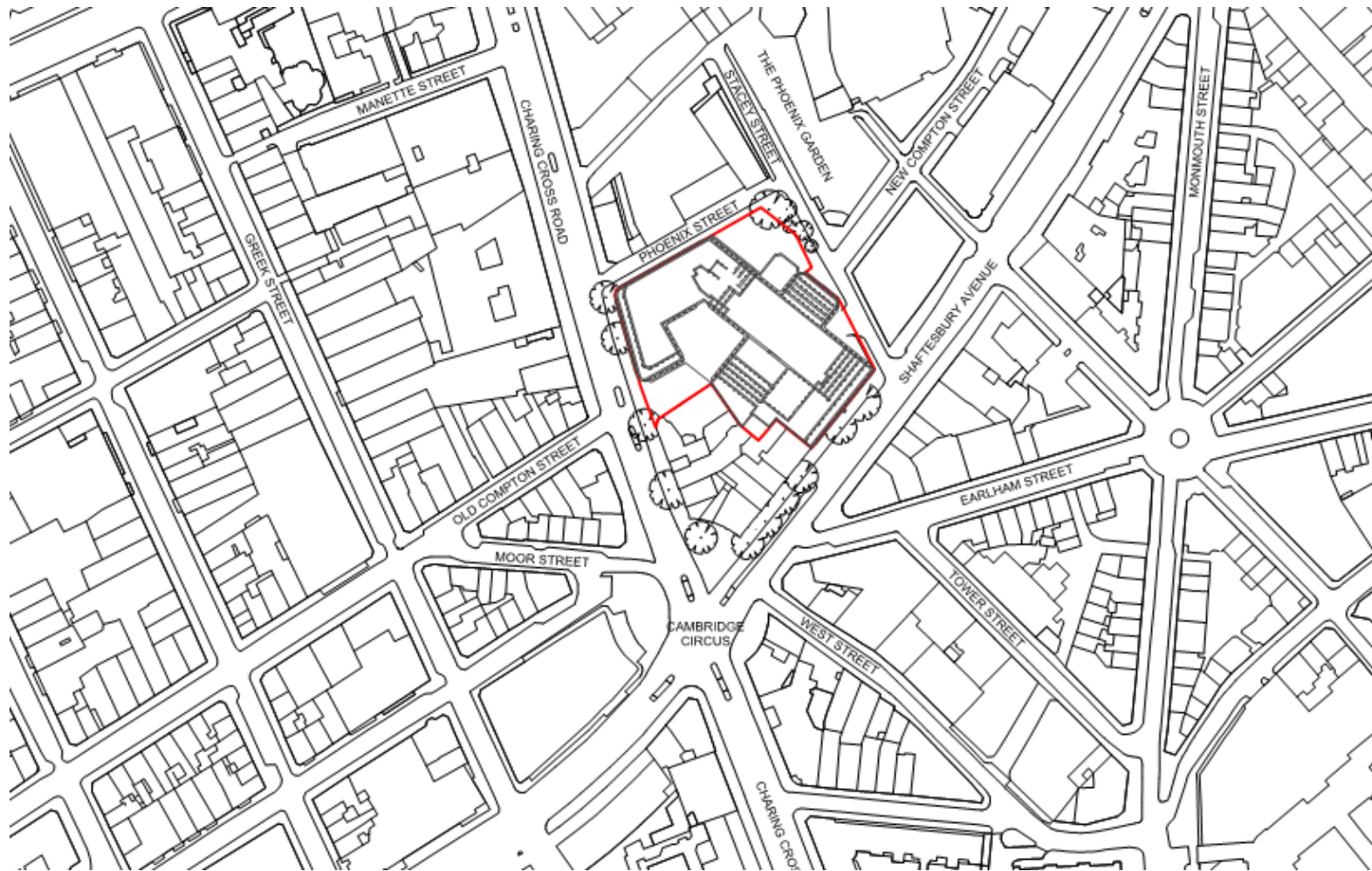
Planning Committee

27th April 2017

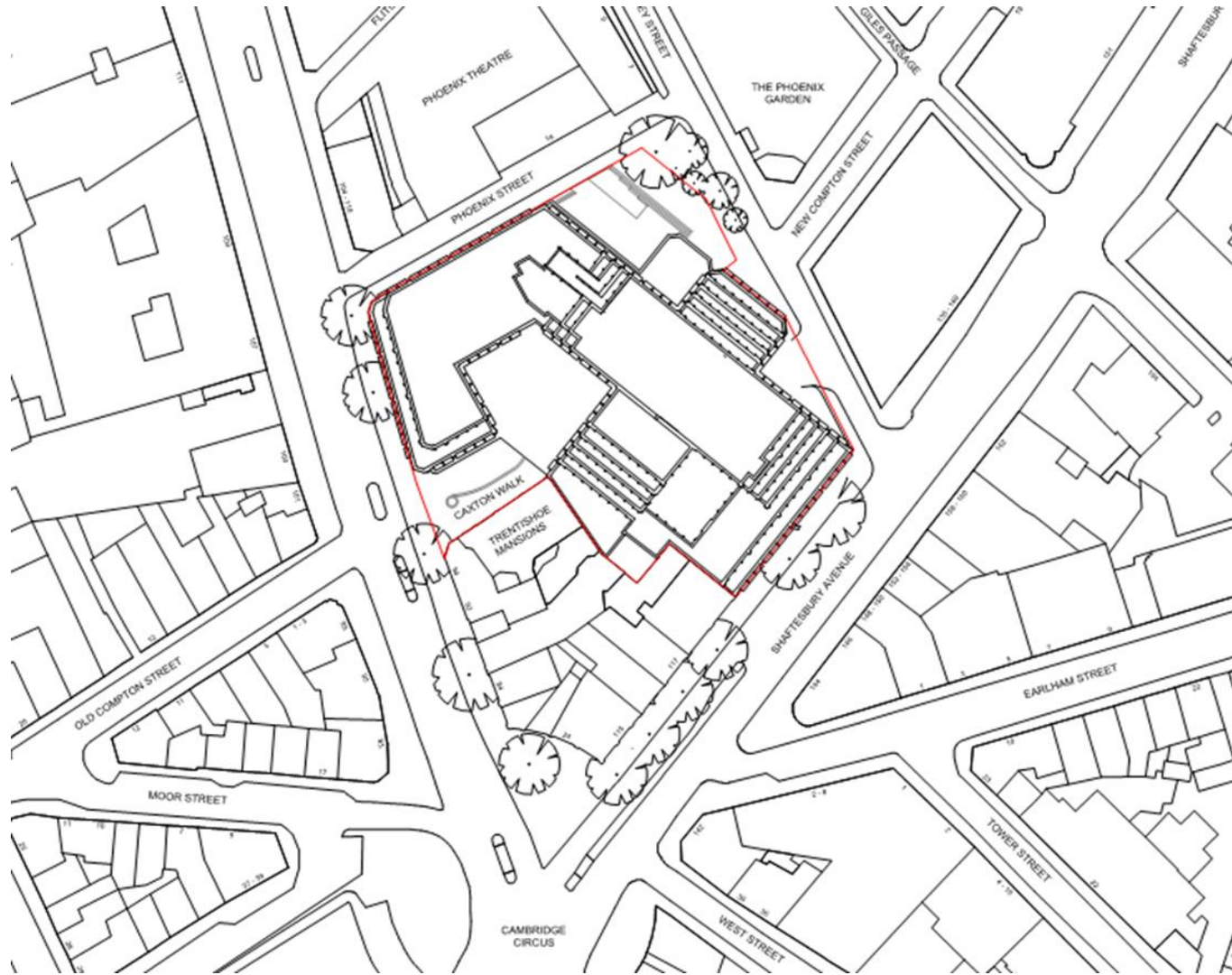
2016/5202/P

**125 Shaftesbury
Avenue**

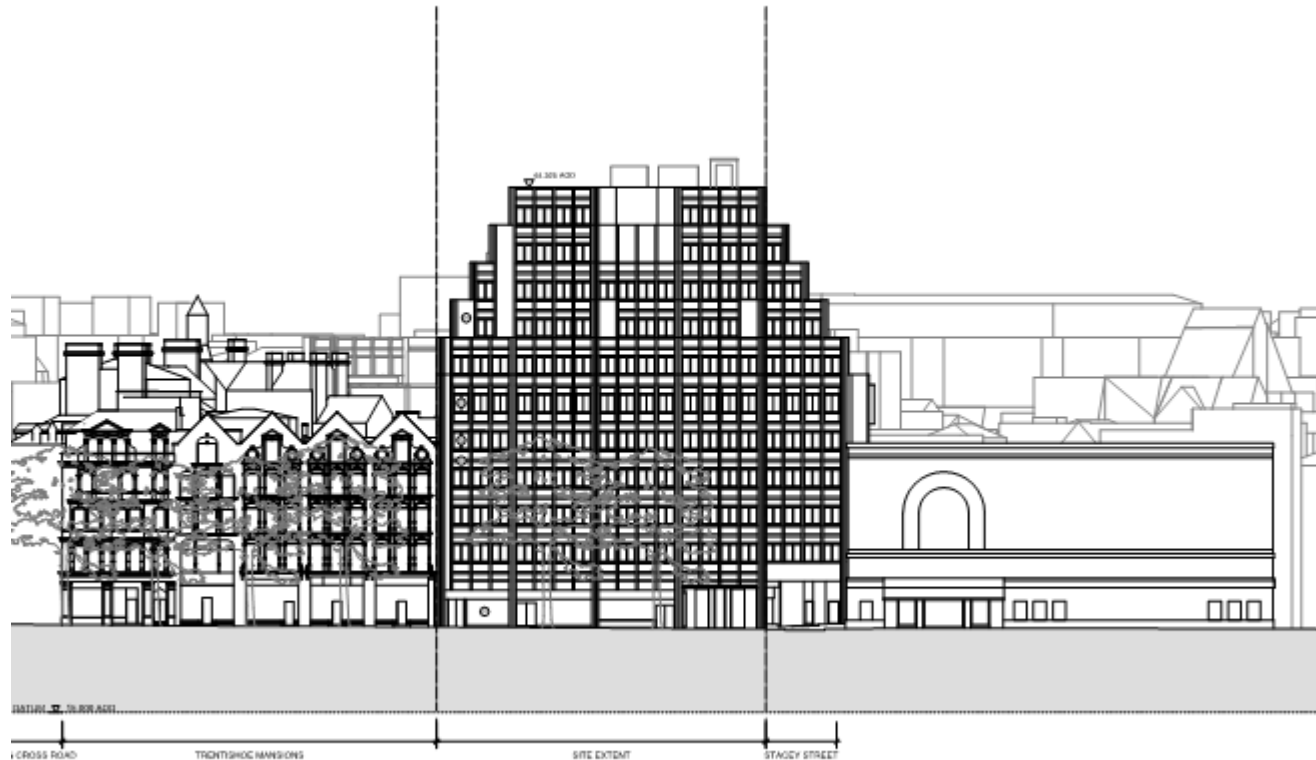
Location plan - existing



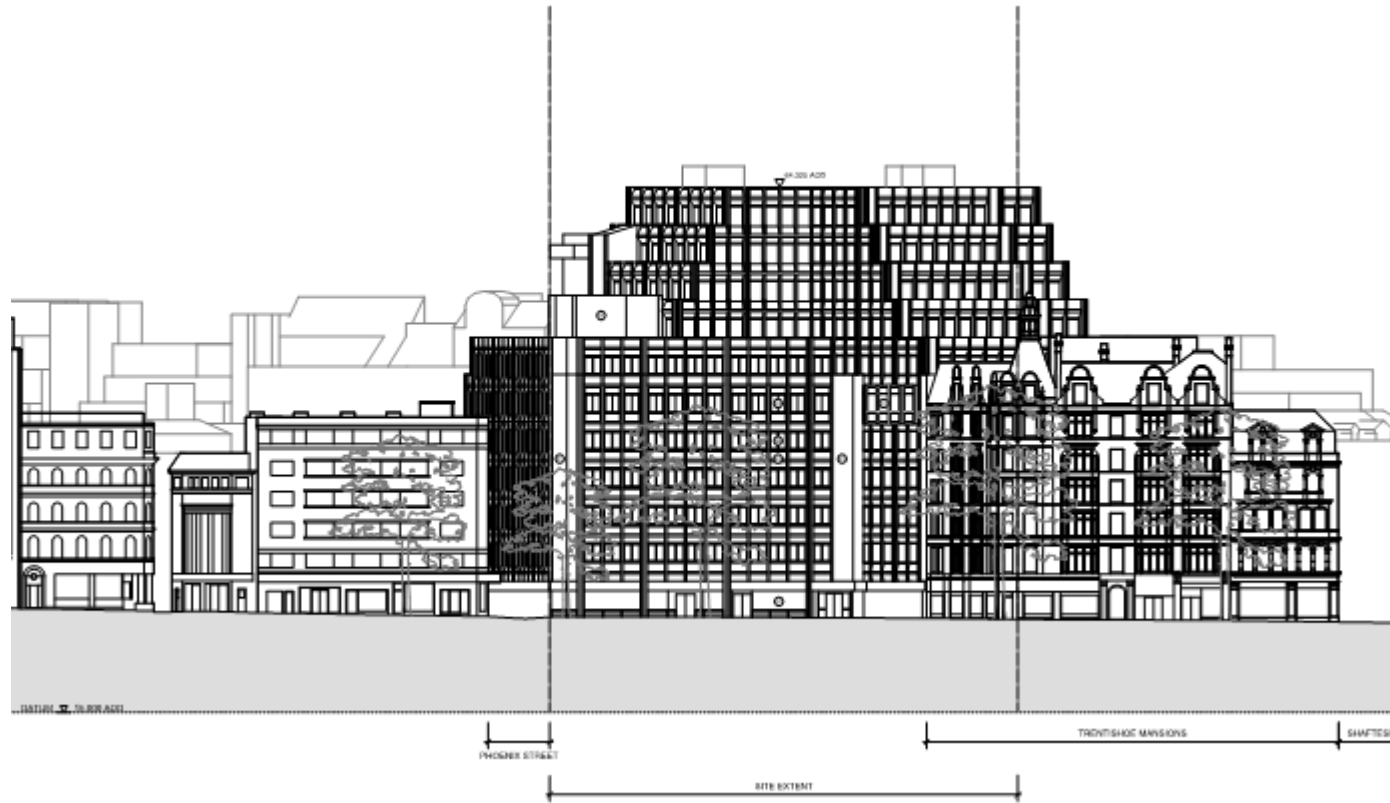
Site plan - existing



Shaftesbury Avenue – existing elevation



Charing Cross Road – existing elevation



Bird's eye view – existing



Listed buildings in the area



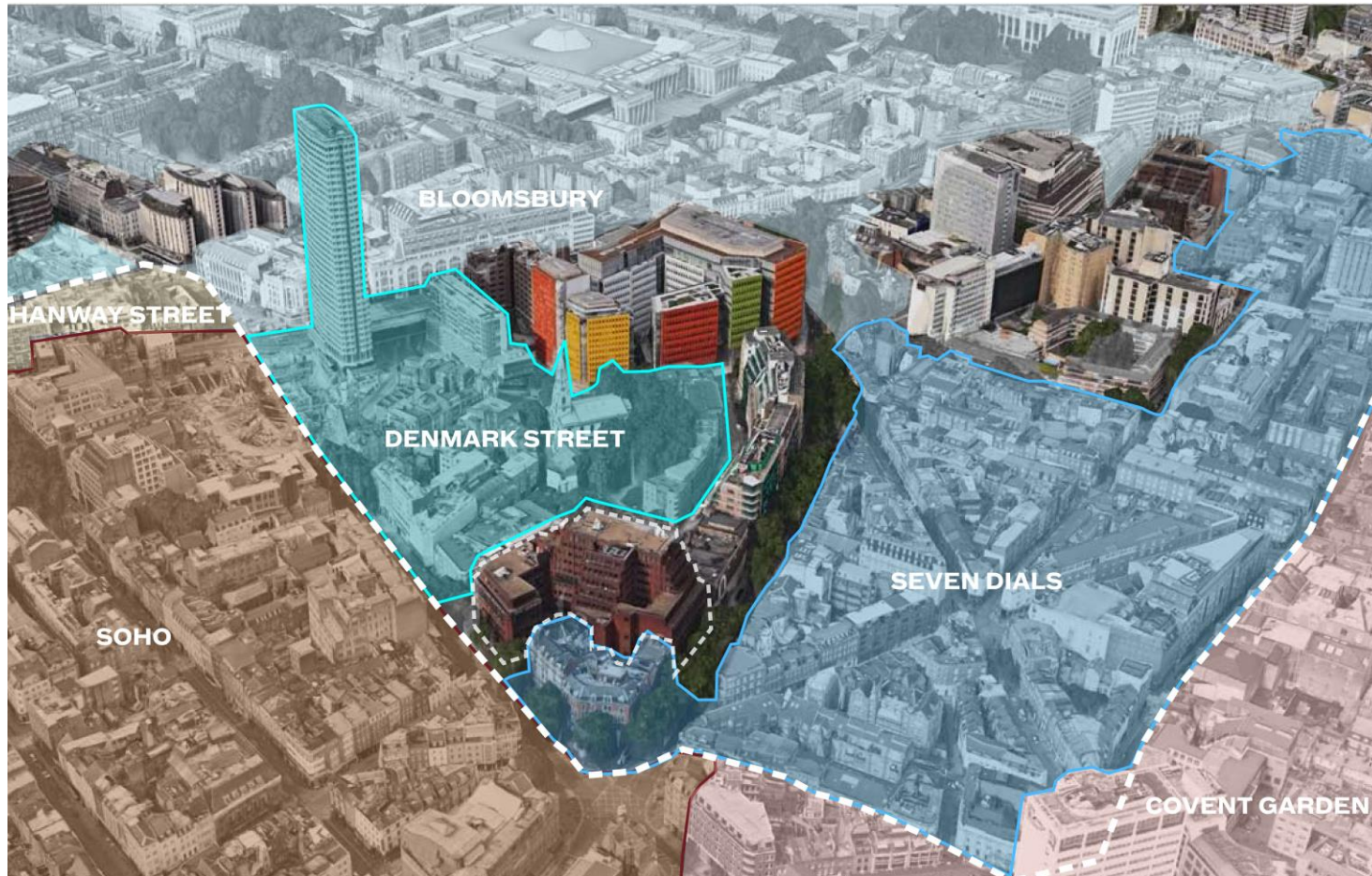
Listed buildings

Key:

1. Odeon Cinema (former Savilles Theatre)
2. Phoenix Theatre
3. Church of St Giles-in-the-Fields
4. Gardens of St Giles-in-the-Fields
5. Elms Lester Painting Rooms
6. No.6 Flitcroft Street
7. Palace Theatre
8. Centre Point
9. No.2-6 Old Compton Street

westminster boundary

Conservation Areas in the vicinity



View from north



View from New Compton Street - existing



View from Charing Cross Road of Caxton Walk



Details of existing façade



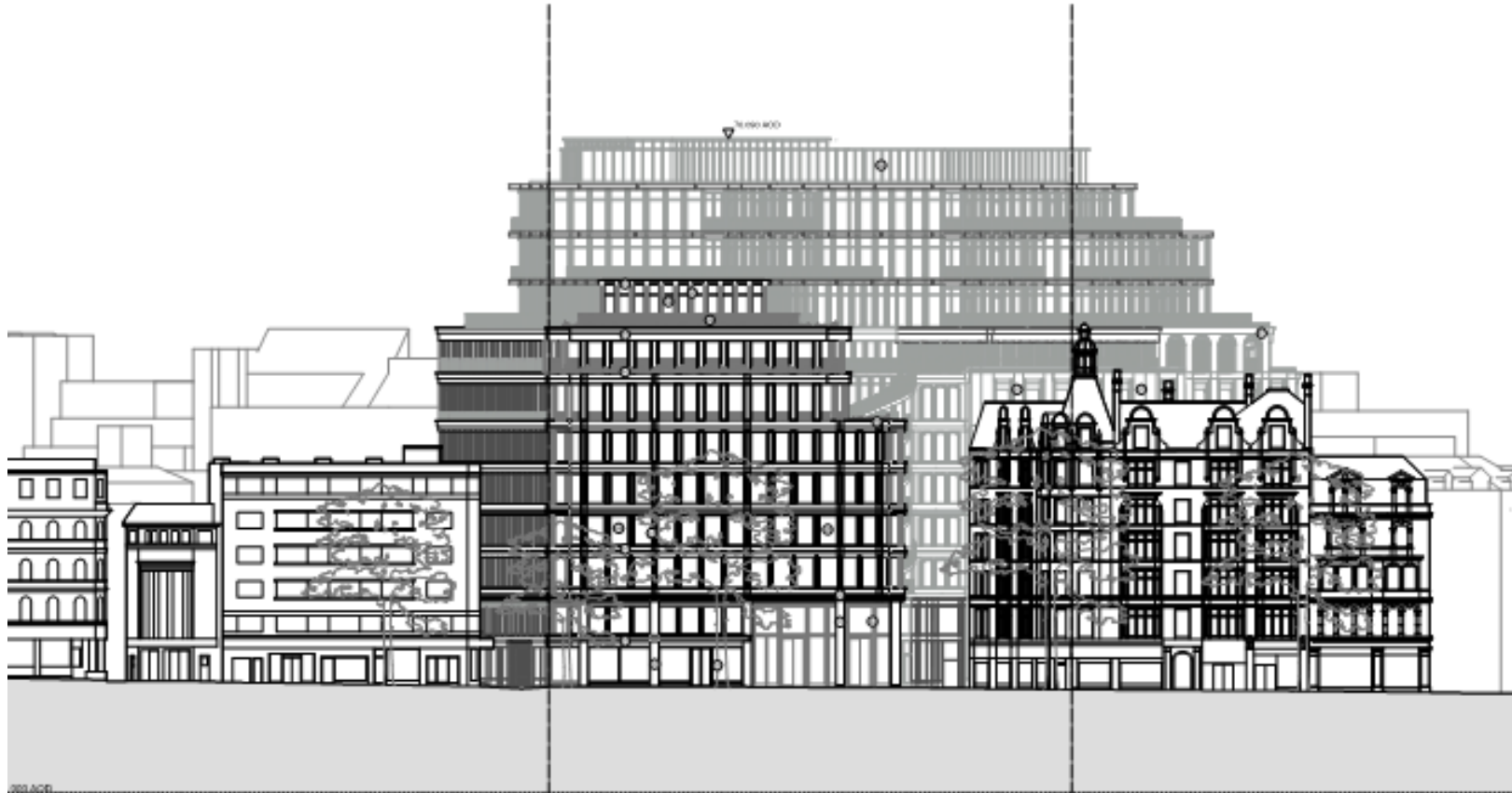
View from Shaftesbury Avenue - existing



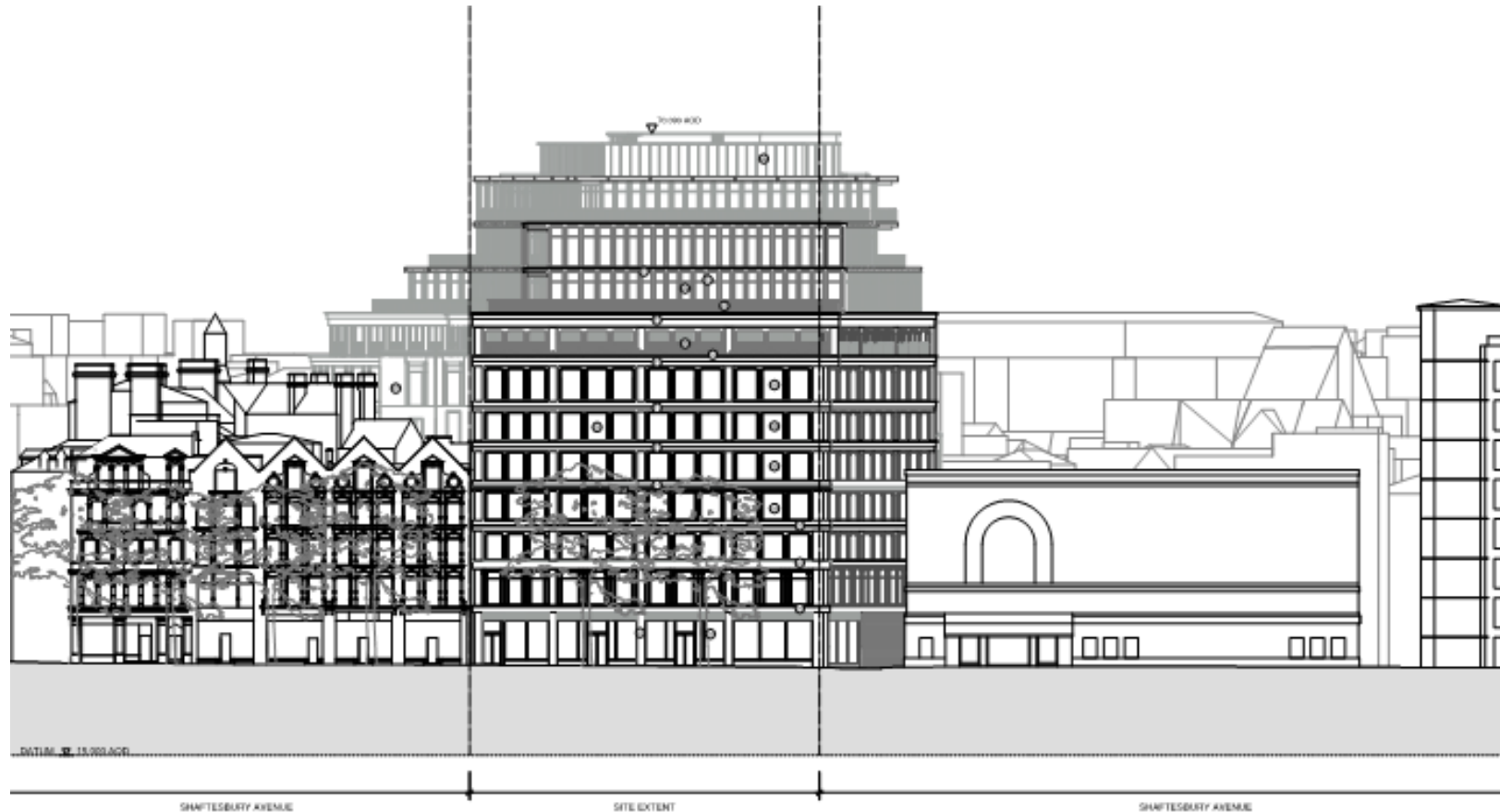
View along Stacey Street - existing



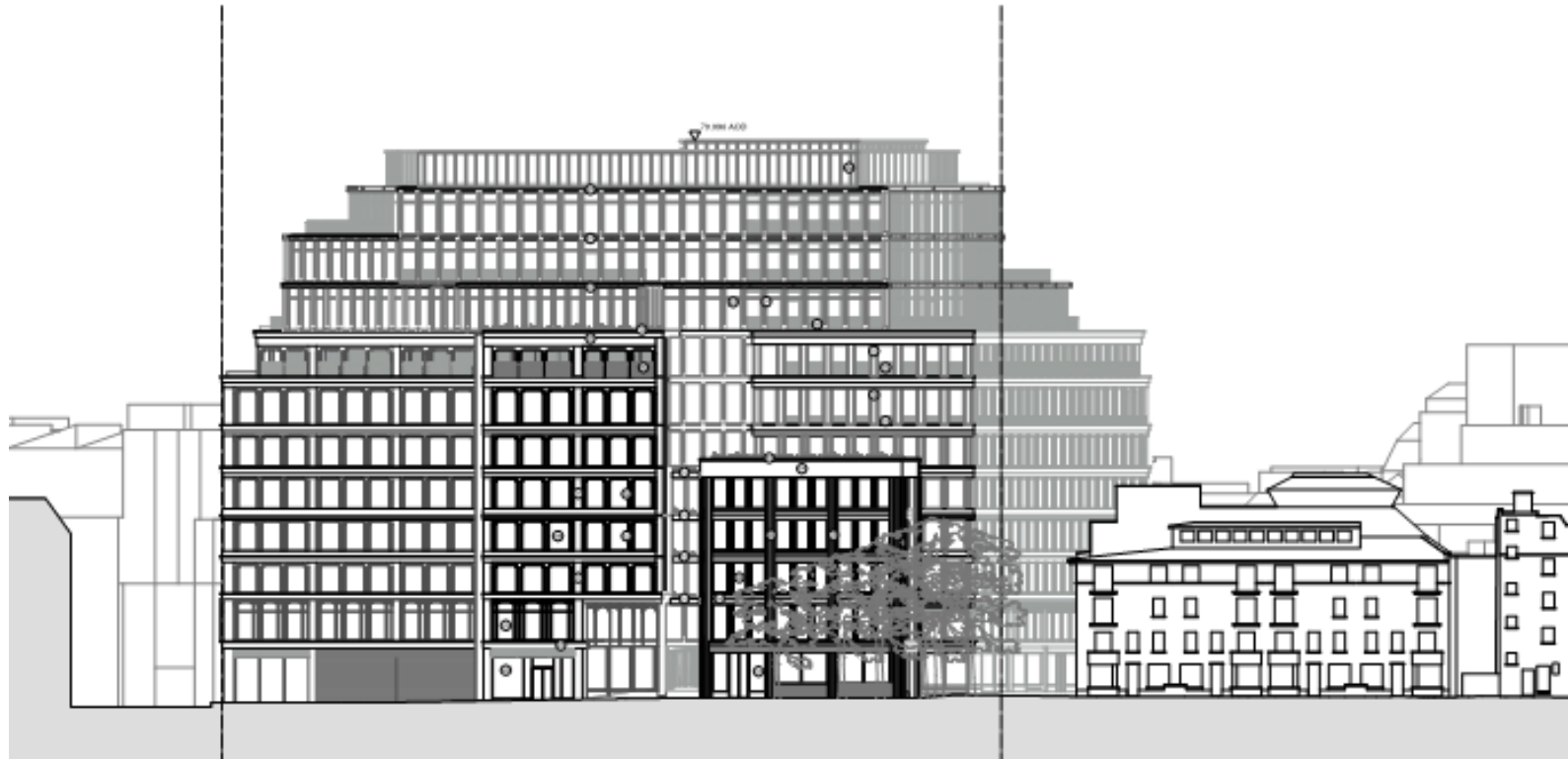
Charing Cross Road – proposed elevation



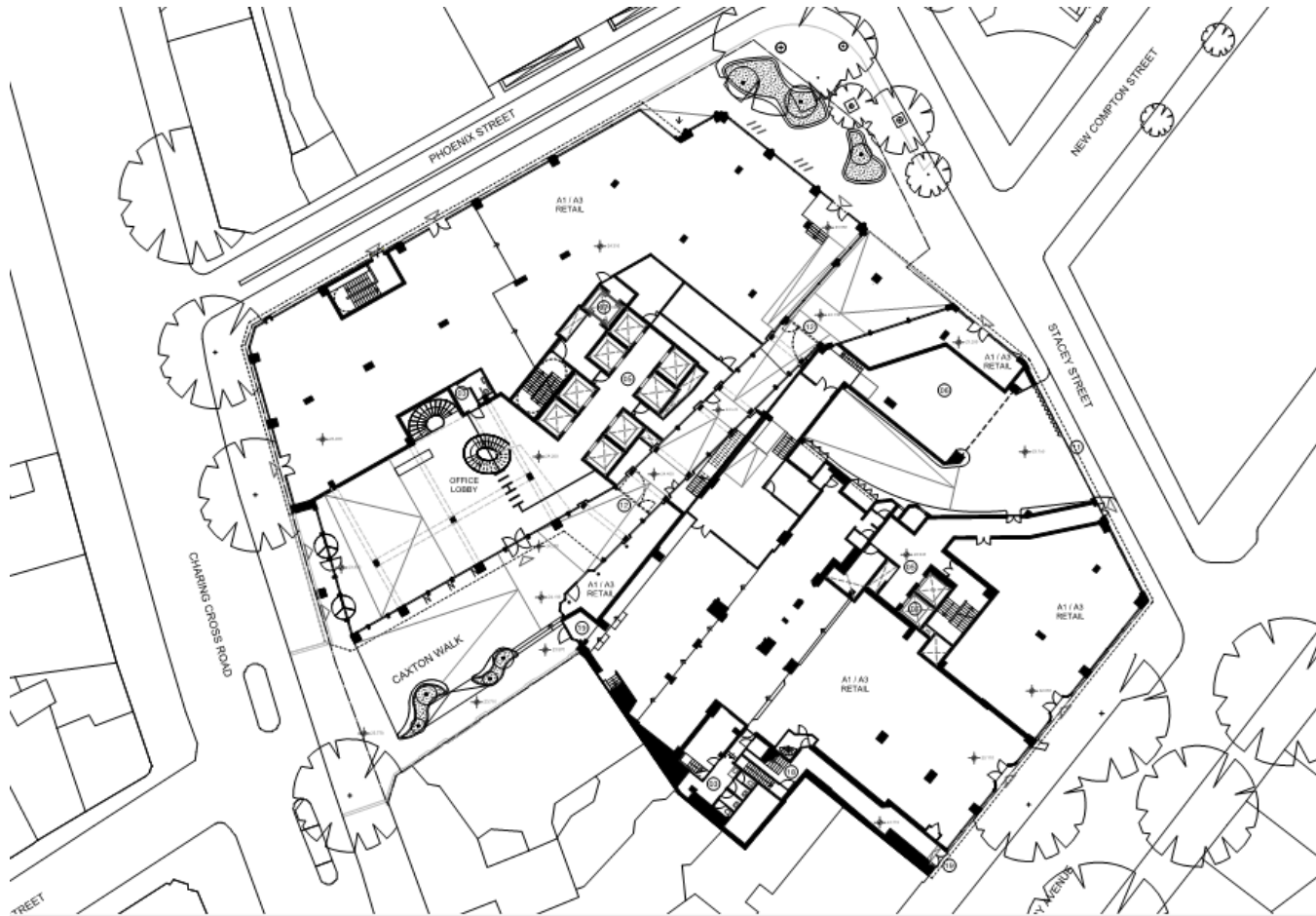
Shaftesbury Avenue – proposed elevation



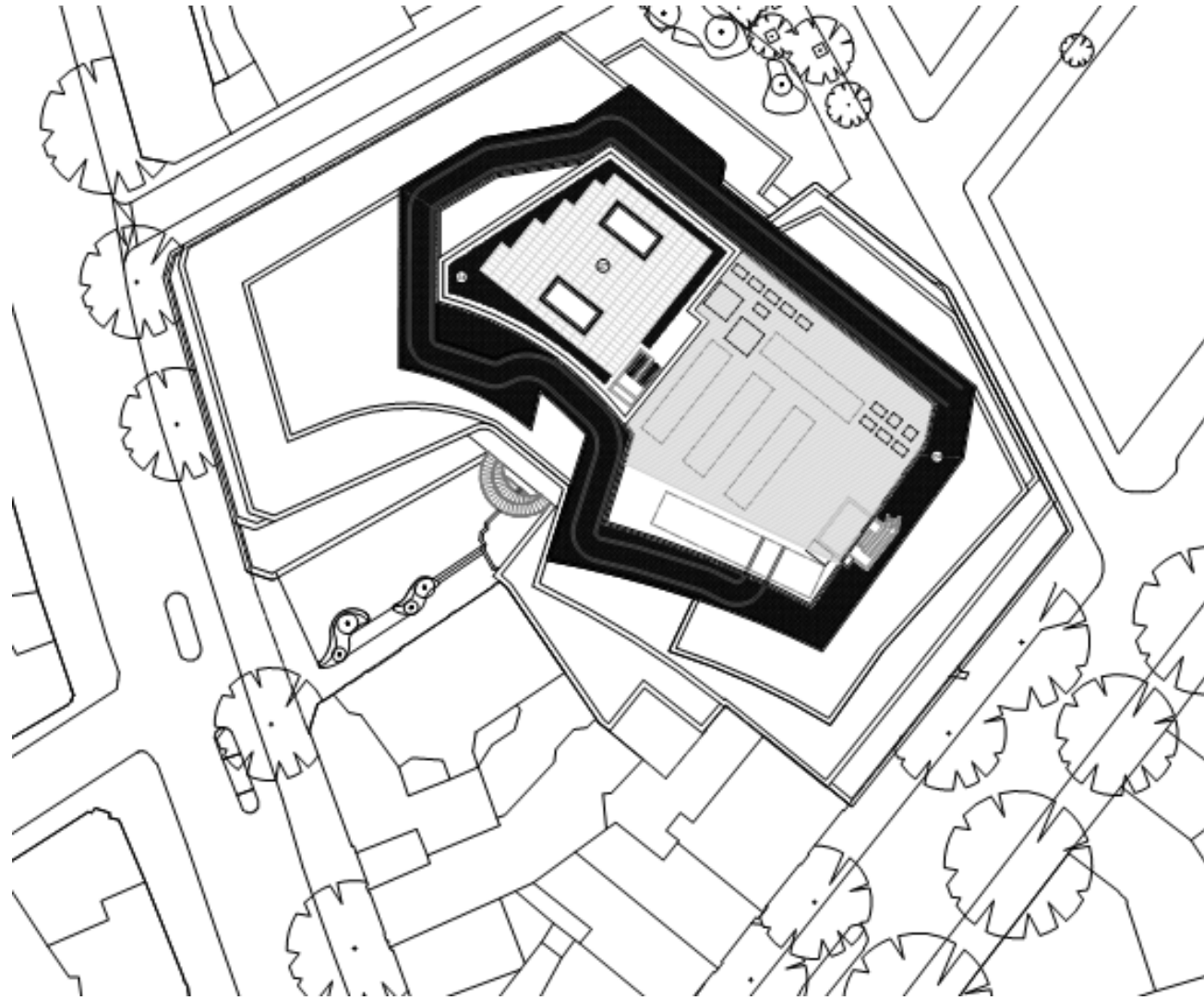
Stacey Street – proposed elevation



Ground floor plan - proposed



Roof plan - proposed



View from Cambridge Circus – existing and proposed



View looking north up Charing Cross Road – existing and proposed



Existing



Proposed

View looking north-east up Shaftesbury Avenue – existing and proposed



View looking south-west down Shaftesbury Avenue – existing and proposed



View from Old Compton Street – existing and proposed



View from Phoenix Gardens – existing and proposed



Existing



Proposed

View of terrace and loggia



Elevation detail (Stacey Street)



View of through route from Caxton Walk



View of through route from Stacey Street/New Compton Street



View across indicative public realm on Stacey Street





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