

14 Hatton Wall
Design and access statement
24 October 2017



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1 Introduction

This Design and Access statement has been prepared by Studio Jung Ltd to support the planning application for the proposed development at 14 Hatton Wall. The application comprises the erection of a single story roof extension, roof terrace, alteration to front and rear elevations as well as the conversion of the 1st and 2nd floor commercial space into residential use. The commercial areas on the ground floor and basement are being retained.

Apart from the internal layout of the residential unit this application closely follows the detailed design of a previous planning application which received planning consent in 2015 (reference: 2014/7438/P).

2 Location

2.1 Location plan

Key

— Building



Location plan

NTS



Aerial view from south

2.2 Context and building

The property is a three storey terraced building with basement dating back to 1893. The front facade is painted brick with one window at each of the upper two floors. A shop is situated at street level, where the shop window is covered by metal security shutters. The rear elevation is untreated brick with a varying window layout on each floor.

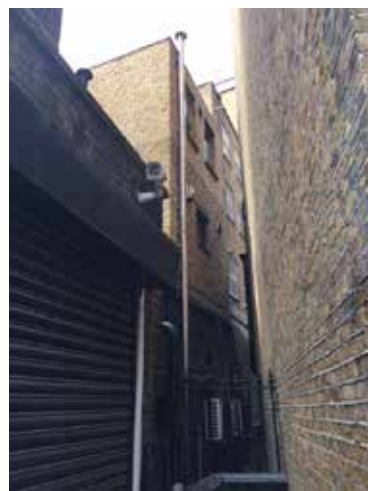
The building is located within the Hatton Wall conservation area, which received its status in 1976 by Camden. The area is historically famous for the jewellery and diamond trade. This use is however in a general decline and many of the old warehouse buildings are being converted and today the area is characterised by a mix of uses including office, residential as well as retail.

The front ground floor and the basement floor space are currently used as a commercial space and the upper floors are completely stripped out and have been vacant since the current owner purchased the property in 2012.

The north side of Hatton Wall, where the building is located, has a variety of building types varying from two to five storeys with different types of roof additions. The neighbouring building on the east side is matching in height whereas the building on the west side is one storey higher.



Front elevation



Rear elevation

3 Planning

3.1 Planning history

Pre-Application Discussions

A pre-application request was submitted to the Council in June 2017 for a revision of the approved scheme from 2015 proposing to convert the two residential units in to one residential unit as well as raising the third floor rear roof level to provide a 2.8m internal ceiling height. The pre-application advice received, on 17th July 2017 (reference: 2017/3462/PRE) raised no principal objection neither to the upper floors being used for one residential unit rather than two nor to the increased rear ceiling height. The advice sought an updated marketing report as well as further description of the relationship to the neighbouring buildings.

Approved Applications

14 Hatton Wall

Application (reference: 2016/3551/P) consented on 6th September 2016 for: *Erection of single storey roof extension, rear roof terrace and alterations to front and rear elevation.* This application has not been implemented.

14 Hatton Wall

Application (reference: 2014/7438/P) consented on 23rd March 2015 for: *The change of use of part ground floor, first, and second floors from commercial to provide two residential units (1x1-bed and 1x2-bed), erection of single storey roof extension, roof terrace, replacement shopfront and alterations to front and rear elevation.* This application has not been implemented.

3.2 Neighbouring Applications

12 Hatton Wall

Application (reference: 2005/0736/P) consented on 17th May 2005 for: *The erection of a roof extension to create a third storey and a rear extension at first and second floor levels.* The application has not been implemented and the consent has now lapsed.

12 Hatton Wall

Application (reference: 2017/1646/P) was registered on 15 May 2017 for: *First and second floor rear extension to create additional office space (Class B1a); roof extension to create 1x self-contained 1-bed flat at third floor level (class C3).* At the time of writing this application is still under consideration.

23-27 Hatton Wall

Application (reference: 2013/5763/P) consented on 17th May 2005 for: *Change of use at first floor level from Sui Generis to residential (C3), and erection of a roof extension, including extension at second floor level rear, new third floor level to create an additional storey, in connection with the provision of 2x1 bedroom and 3x2 bedroom self-contained flats, and alterations to shopfront including new residential entrance.*

18-28 Hatton Wall

Application (reference: 2008/1886/P) consented on 25th July 2008 for: *Demolition of Nos. 20-24 Hatton Wall and replacement with six storey building plus basement to provide light industrial use (Class B1c) at basement level and ground floor level and office use (Class B1) at first floor and upper storeys; change of use, refurbishment and extension of Nos. 26-28 Hatton Wall to residential use (Class C3) providing two 1-bed units and one 2-bed unit on upper floors with retained retail use (Class A1 at ground floor level, including erection of new mansard roof; and change of use of No. 18 Hatton Wall from office use at ground floor reception level (Class B1) to retail use (Class A1); and associated works.*

4 Design

4.1 Existing use

The existing building comprises one commercial unit occupying the front of the ground floor and basement level, accessed via the shop front which is currently tenanted by a jewellery retailer and a vacant commercial floor space in the rear ground floor and upper two floors which is accessed via a staircase which leads directly off the street. The upper floors have been stripped out and are unoccupied.

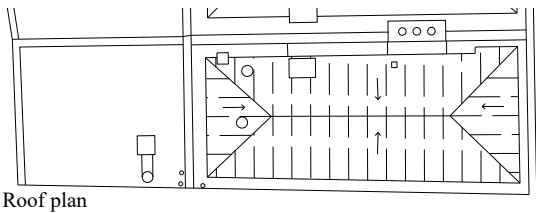


First floor

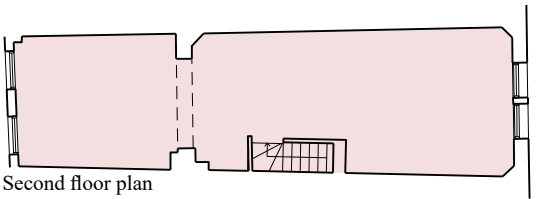


Second floor

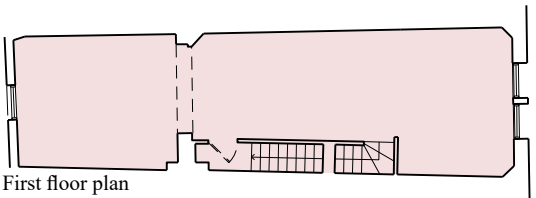
- Key (existing use)
- Occupied retail unit (81sqm)
 - Commercial space (115sqm)



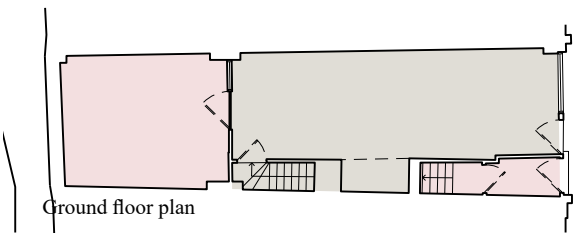
Roof plan



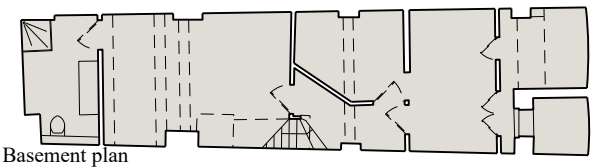
Second floor plan



First floor plan



Ground floor plan



Basement plan

4.2 The proposal




Planning permission is being sought for the following changes and additions to 14 Hatton Wall:

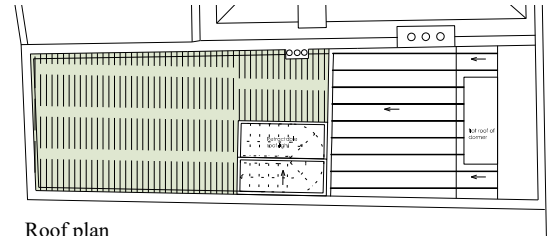
- Conversion of the upper floors and rear section of the ground floor from commercial use to residential use comprising one residential unit;
- Construction of a single storey rooftop extension to provide additional space to the residential unit;
- Provision of terraces at ground, third and rooftop level, to provide amenity space for the residential unit;
- Replacement of windows as well as repair-work and alterations to front and rear elevations;
- New entrance door to the residential unit at street level;

The commercial unit at basement and the majority of the ground floor unit will be retained as retail/workshop space occupied by a jewellery retailer.

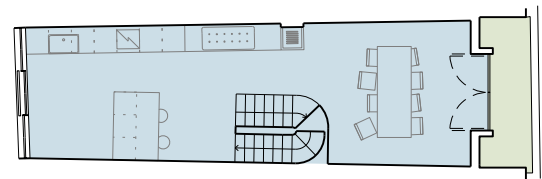
The proposed residential accommodation will provide a two bed unit situated over four floors. The residential unit will be accessed from a separate entrance along Hatton Wall, providing direct access to the first floor level. Private outdoor amenity space will be provided at the ground floor rear of the building, on the third floor towards the street as well as a large roof terrace covering just over half of the proposed roof extension to the rear.

Key (proposed use)

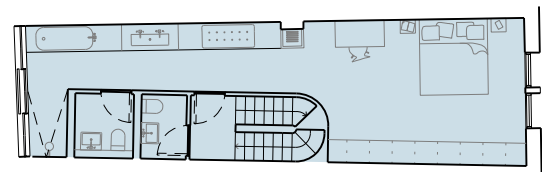
-  Amenity space (32sqm)
-  Residential unit (157sqm)
-  Occupied retail unit (81sqm)



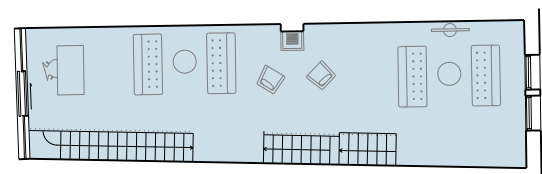
Roof plan



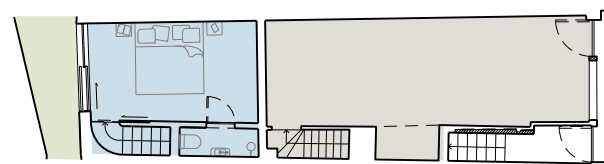
Third floor plan



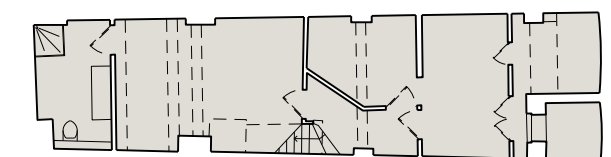
Second floor plan



First floor plan



Ground floor plan



Basement plan

4.3 Roof extension

It is proposed to extend the building at roof level with a single storey flat top mansard extension including double doors. The extension is set back from the front facade to minimize its visibility from the street. This set back allows for a small terrace on the third floor to be created on to Hatton Wall. The extension will be zinc clad, with a stone capped party wall.

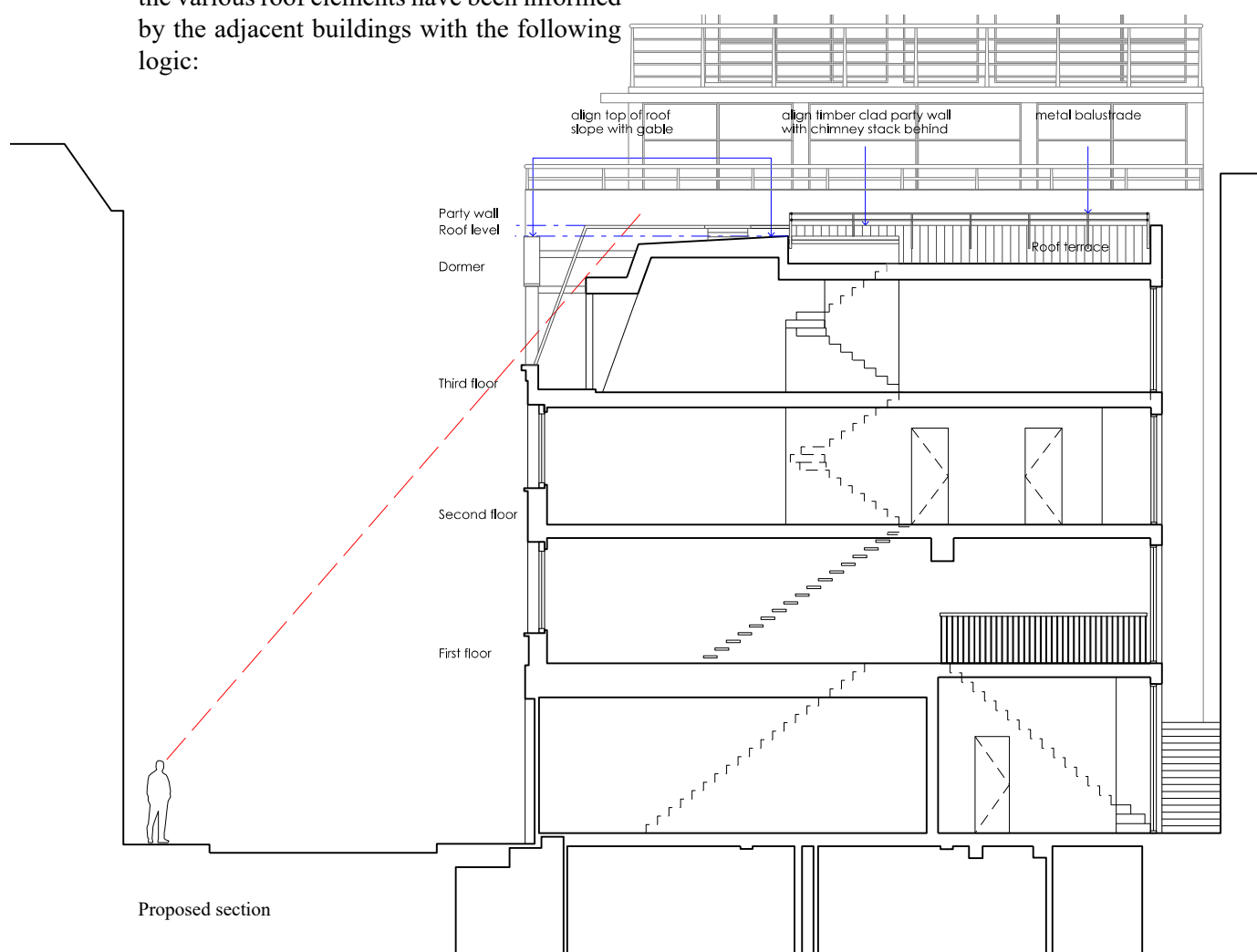
This arrangement is following the design of the previously approved planning application (reference: 2014/7438/P). The positions of the various roof elements have been informed by the adjacent buildings with the following logic:

-The height of the party wall is aligned with the chimney of No. 16.

-The highest point of the mansard roof is aligned with the top of the gabled parapet of No. 16.

-The height of the chimney is aligned with the chimney of No. 10.

This arrangement allows for No.12 to create additional space at roof level in line with the previously approved scheme.



4.4 Access

The access to the building is similar to the existing situation. The doorway leading to the upper floors becomes residential access.

The residential unit has been designed with accessibility in mind, as far as it is possible given the constraints of the existing building.

The building is not easily accessible for wheelchair users. Special arrangements for assisted access will need to be made by the occupants of the building.



Proposed front elevation

4.5 Material

The design seeks to be sensitive to the existing fabric of the buildings existing facade that can be viewed from the street. The roof extension which is obscured from the street level is of a more contemporary design.

The windows at the front and rear elevations will be replaced. At the front elevation these will be replaced like for like. The third floor terrace and the rear windows will consist of metal framed clear glass windows. The balustrades located at rear windows, third floor terrace as well as roof terrace will be made of steel.

The front elevation will receive new paint and the rear elevation will remain in untreated brick.

Materials to be used:

- Black zinc roof
- Metal balustrades
- Timber decking at roof terrace
- Painted brick to front elevation



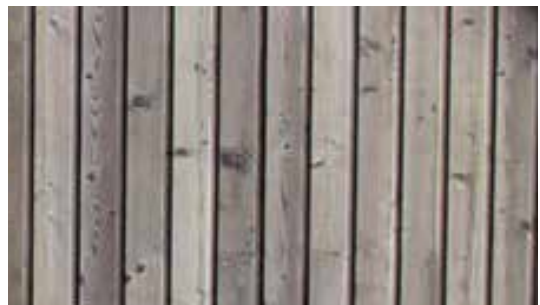
Black zinc



Painted brick



Metal balustrade



Timber

4.6 Amenity

The unit will benefit from outdoor private amenity space. A total of 31.5sqm is divided over three terraces located on the rear ground floor, third floor and roof terrace. As established in the previously approved application it would not cause any impact on the neighbouring amenity in terms of overlooking for privacy nor have an adverse impact on surrounding occupiers in terms of loss of light or loss of privacy.

4.7 Daylight

As part of the previously approved application (reference: 2014/7438/P) a Daylight and Sunlight Assessment was carried out which proved that the rooms in the building would meet the BRE criteria. This application shows a different plan layout but given that it is providing more window than the previous application and that the plan is significantly more open it is believed that the provision of daylight inside the building should be improved.



Proposed rear elevation

5 Conclusion

This application is submitted following a previously approved application for a near to identical scheme comprising the erection of a roof extension, alterations to front and rear elevation and conversion of commercial space to residential.

The alterations to the previously approved scheme received positive feedback in pre-application discussions.

The application has demonstrated that the roof extension will be discreet with a minimal impact on the street scene.

The development would provide much needed repair work and high quality additions that will ensure the longevity of the building.

The proposed development will revitalise the building and contribute to the significance of the Hatton Wall area.

The proposal will not create any negative impact on the neighbouring properties nor future occupants of the proposed building.

We believe that the application has demonstrated that the proposed use and design should fulfil all planning criteria and hope that planning permission should be forthcoming.

14 Hatton Wall
Pre-application advice
Appendix A

Date: 17th July 2017
Our Ref: 2017/3462/PRE
Contact: Rachel English
Direct Line: 020 7974 1343
Email: Rachel.english@camden.gov.uk

Development Management
Regeneration and Planning
Supporting Communities
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London N1C 4AG
Tel 020 7974 4444

Via email to fredrik@studiojung.se

planning@camden.gov.uk
www.camden.gov.uk/planning

Dear Mr Jung,

**Pre-application Planning Advice
Proposals at 14 Hatton Wall, London EC1N 8JH**

Thank you for submitting the pre-application enquiry for the above property on 15/06/2017. With your enquiry you have submitted drawing numbers (119 SK) 001, 002, 003, 004, (101 SK) 005, 006, 007, 008.

This letter represents the Council's initial view of your proposals based on the information available to us at this stage. It should not be interpreted as formal confirmation that your application will be acceptable nor can it be held to prejudice formal determination of any planning application we receive from you on this proposal.

Your enquiry specifically requires comments on:

1. The change from (the approved) two residential units into one.
2. Confirmation of the height of the flat roof towards the rear of the building.

The site

The site contains a three-storey, mid-terrace building located on the north side of Hatton Wall. The property is not listed but lies within the Hatton Garden Conservation Area. The site has a retail unit at ground and basement floors with commercial units above.

Recent planning history

Planning permission was granted for the erection of a single storey roof extension, rear roof terrace and alterations to front and rear elevation. Approved on 06/09/2016 (ref 2016/3551/P)

Planning permission was granted for a change of use of part ground floor, first, and second floors from commercial to provide two residential units (1x1-bed and 1x2-bed), erection of single storey roof extension, roof terrace, replacement shopfront and alterations to front and rear elevation. Approved subject to a S106 legal agreement on 23/03/2015 (ref 2014/7438/P).

Policy context

The relevant policies that would apply to this proposal are taken from the London Borough of Camden Local Plan. This was adopted on 3rd July 2017 and supersedes the Council's previously adopted Core Strategy and Development Policy documents (adopted on 8th November 2010). The London Plan 2016 and the NPPF (2012) are also relevant to the scheme. The following policies from Camden Local Plan will be taken into consideration:

The following policies from the Local Plan are relevant:

- G1 – Delivery and location of growth
- H4 - Maximising the supply of affordable housing
- H6 – Housing choice and mix
- H7 – Large and small homes
- A1 – Managing the impact of development
- D1 – Design
- D2 – Heritage
- CC5 – Waste
- T1 – Prioritising walking, cycling and public transport
- T2 – Car-free development and limiting the availability of parking.

The following Camden Planning Guidance (CPG) documents also provide relevant guidance for this proposal:

- CPG1 – Design (2015);
- CPG2 – Housing (2015);
- CPG5 – Town Centres, Retail and Employment (2013)
- CPG6 – Amenity (2013);
- CPG7 – Transport (2013)
- CPG8 – Planning Obligations (2015)

Planning Considerations

The following material considerations are taken into account in assessment of this pre-application enquiry:

Land use

It is acknowledged that planning permission was granted to change the use of the rear of the ground floor and the upper floors from commercial to residential on 23rd March 2015 (ref 2014/7438/P) and this permission is still valid until 23rd March 2018. Therefore, the proposed change of use to residential is likely to be considered acceptable. If you submit a planning application you are advised to submit supporting information demonstrating what marketing activity has been carried out since planning permission was granted in 2015. The Council has adopted a new policy framework since the previous approval within the Camden Local Plan 2017 and therefore the proposals must satisfy the requirements of policy E2.

Whilst one of the Council's key priorities is to increase the supply of housing in the Borough, there is no objection to the upper floors of the site being used for one residential unit rather than two as approved under planning permission 2014/7438/P.

Affordable Housing

Policy H4 of the Camden Local Plan 2017 expects a contribution to affordable housing from all developments that provide one or more additional homes and involve a total addition to residential floorspace of 100sqm GIA or more. As the proposals involve the addition of approximately 148sqm GIA of new residential floorspace, a payment-in-lieu contribution to the Council's affordable housing fund would be required. A sliding scale target applies starting at 2% for one home.

Standard of accommodation

The proposed one residential unit would provide a suitable standard of accommodation at approximately 148sqm of floorspace. This would meet the requirements of Table 3.3 of the London Plan 2016 in terms of minimum space standards.

Design and impact on the adjoining building and Hatton Garden Conservation Area

The proposed front elevation drawing shows a single storey mansard, set back in order to incorporate a roof terrace at the front. There appears to be no change in height at the front from the previously approved planning permissions (2014/7438/P and 2016/3551/P). The relationship with the existing roof at number 16 is not fully shown on the section drawings. Any future planning application would need to provide further detail in terms of the proposed height of the roof extension compared to the adjacent buildings.

There is no objection in principle to the raising of the rear section of the roof in order to increase the internal head height to 2800mm; however, the relationship with adjoining buildings would need to be clear.

It is unclear from the drawings why you are proposing a balustrade on the roof top if there is no terrace proposed here. I suggest that this is removed from the proposals.

You have not indicated the proposed materials within your pre-application submission; however you are advised that glazed balustrades would not be considered acceptable in this location and a metal balustrade would be considered more appropriate. Please ensure that the final design accords with the Council's guidance for mansard roof extensions as set out in CPG 1 (Design).

Amenity

The proposed roof extension, owing to its design and location, would be unlikely to harm neighbour amenity in terms of daylight, sunlight or outlook. The principle of a roof terrace at the front has already been established through previous planning approvals.

Transport

As the majority of the proposed residential accommodation would be located above ground floor level and there is no existing outside space, it would be unlikely for the Council to insist on provision of cycle parking spaces. We would however seek to ensure that the development would be car-free, in compliance with policy T2 of the Local Plan. A car-free development would be secured as a Section 106 planning obligation for the new residential dwelling, noting that any future residents will be unable to obtain on-street parking permits from the Council.

CIL

The scheme will be liable to Community Infrastructure Levies for both the Mayor of London and the London Borough of Camden. The Mayor's CIL will apply to all development that adds one or more dwellings or more than 100sqm of floorspace at a rate of £50 per sqm. The Council's CIL will equally apply to all new dwellings at a rate of £500 per sqm in the Zone A (Central) area. Please refer to the Council's [website](#) for further information on the Borough's CIL.

Planning application information

If you submit a planning application, I would advise you to submit the following for a valid application:

- Completed forms.
- The appropriate fee
- An OS based location plan at 1:1250 scale denoting the application site in red and other land in applicants' ownership in blue.
- Existing and proposed floor plans, elevations, sections at a scale of 1:50, showing context with surrounding buildings
- Planning statement including marketing evidence
- Design and Access Statement

Please see our [website](#) for more information regarding validation requirements.

After you submit your application

It would be useful if you could let me know when you have submitted the application along with the planning portal reference number. I will then pick the application up as the case officer.

Please note that the information contained in this letter represents an officer's opinion and is without prejudice to further consideration of this matter by the Development Management section or to the Council's formal decision.

It is important to us to find out what our customers think about the service we provide. To help, we would be very grateful if you could take a few moments to complete our [pre application enquiry survey](#). We will use the information you give us to monitor and improve our services.

If you have any queries about the advice contained in this letter please contact **Rachel English** on **020 7974 1343**.

Thank you for using Camden's pre-application advice service.

Yours sincerely,

Rachel English
Senior Planning Officer

14 Hatton Wall
Planning Statement
Appendix B

1. Planning History

- 1.1. The site has undergone a variety of pre-application discussions and previously approved applications are summarised below:

Planning Applications

- 1.2. Application (reference: 2016/3551/P) consented on 6th September 2016 for:

Erection of single storey roof extension, rear roof terrace and alterations to front and rear elevation.

This application has not been implemented.

- 1.3. Application (reference: 2014/7438/P) consented on 23rd March 2015 (the “Approved 2015 Scheme”) for:

The change of use of part ground floor, first, and second floors from commercial to provide two residential units (1x1-bed and 1x2-bed), erection of single storey roof extension, roof terrace, replacement shopfront and alterations to front and rear elevation.

This application has not been implemented.

Neighbouring Applications

12 Hatton Wall

- 1.4. Application (reference: 2005/0736/P) consented on 17th May 2005 for:

The erection of a roof extension to create a third storey and a rear extension at first and second floor levels

This application has not been implemented and the consent has now lapsed.

- 1.5. Application (reference: 2017/1646/P) was registered on 15th May 2017 for:

First and second floor rear extension to create additional office space (Class B1(a)); roof extension to create 1x self-contained 1-bed flat at third floor level (Class C3)

At the time of writing this application is still under consideration.

23-27 Hatton Wall

- 1.6. Application (2013/5763/P) consented on 17th July 2014 for:

Change of use at first floor level from Sui Generis to residential (C3), and erection of a roof extension, including extension at second floor level rear, new third floor level to create and additional storey, in connection with the provision of 2 x 1 bedroom and 3 x 2 bedroom self-contained flats, and alterations to shopfront including new residential entrance

18-28 Hatton Wall

- 1.7. Application (2008/1886/P) consented on 25th July 2008 for:

Demolition of Nos.20-24 Hatton Wall and replacement with six storey building plus basement to provide light industrial use (Class B1(c)) at basement level and ground floor level and office use (Class B1) at first floor and upper storeys; change of use, refurbishment and extension of Nos.26-28 Hatton Wall to residential use (Class C3) providing two 1-bed units and one 2-bed unit on upper floors with retained retail use (Class A1) at ground floor level, including erection of new mansard roof; and change of use of No.18 Hatton Wall from office use at ground floor reception level (Class B1) to retail use (Class A1); and associated works.

Pre-Application Discussions

- 1.8. A pre-application request was submitted to the Council in June 2017 seeking advice in respect of certain revisions to the Approved 2015 Scheme, which granted planning permission for the erection of a two storey roof extension and change of use of the upper floors of the building to residential use (2 x 2bed units and 1 x 1bed units). Such revisions comprised:
1. The change from (the approved) two residential units into one
 2. Confirmation of the height of the flat roof towards the rear of the building to provide a 2800mm internal ceiling height.
- 1.9. Pre-application advice was received on 17th July 2017 (reference: 2017/3462/PRE) (the "Pre-Application Advice").
- 1.10. The Pre-Application Advice acknowledged the prior granting of planning permission to change the use of the rear of the ground floor and the upper floors from commercial to residential (which continues to be valid at the time of this application) and concluded as a result that "the proposed change of use to residential is likely to be considered acceptable." However, it was recommended that any future planning application be accompanied by supporting information demonstrating what marketing activity has been carried out since planning permission was granted in 2015.
- 1.11. With respect to the proposed revision (1), the Pre-Application Advice stated that "there is no objection to the upper floors of the site being used for one residential unit rather than two as approved under planning permission 2014/7438/P."
- 1.12. With respect to the proposed revision (2), the Pre-Application Advice noted that there was no change in height at the front of the property from the previously approved planning permissions (2014/7438/P and 2016/3551/P), and advised that "there is no objection in principle to the raising of the rear section of the roof in order to increase the internal head height to 2800mm." However, it was advised that any future application would need to provide further detail in terms of the proposed height of the roof extension compared to adjoining buildings.
- 1.13. The relationship to the adjoining buildings is further explained in section BB (drawing 119 P 011), demonstrating that the increased rear roof height does not have a negative impact on the neighbouring properties.

2. The Proposed Development

2.1. The elements of the proposed development remain substantially in line with planning permission granted for the Approved 2015 Scheme comprising the following:

- change of use of the upper floors and small section of the ground floor of 14 Hatton Wall from commercial to residential;
- erection of a single storey rooftop extension to provide additional residential accommodation;
- provision of terraces at ground, third and rooftop levels; and
- upgrades to front and rear elevations, including replacement of windows.

2.2. The commercial units at basement and the majority of the ground floor unit will be retained as retail/workshop space and is at present occupied by a jewellery retailer with a commercial lease in excess of nine years remaining.

2.3. As such, the description of development is as follows:

Change of use of part ground floor, first, and second floors from commercial to provide one residential units (C3), erection of single storey roof extension, roof terrace and alterations to front and rear elevation

2.4. The proposed residential accommodation will provide a two bed unit, which will be accessed from a separate entrance along Hatton Wall, providing direct access to the first floor level. Private outdoor amenity space will be provided to the rear of the unit accessed at ground floor level, via a small terrace to the front of the unit on the third floor, along with a roof terrace covering just over half of the proposed roof extension to the rear.

2.5. It is proposed to extend the building at roof level comprising a single storey flat top mansard extension with double doors set back from the building line, providing a small terrace onto Hatton Wall. The detailed design of the scheme remains in line with the previously approved scheme and provides that the extension will be zinc clad, with a stone capped party wall, with brick also to the rear elevation. The windows will comprise aluminium framed with clear glass balustrade to the third floor terrace, timber clad balustrade to the roof top terrace, and steel balustrade to the rear elevation sliding doors.

2.6. The windows to the front and rear elevation will also be replaced. At the front elevation these will be replaced like for like.

Changes from the Approved 2015 Scheme

2.7. Primary changes from the previously Approved 2015 Scheme (which remains valid) comprise:

- Conversion into one residential unit rather than two and corresponding amendments to internal layout
- Increase in the internal ceiling height to the rear of the new third storey (resulting in no visible change to the streetscape)
- Change in materials from glass to metal railings for roof terrace balustrades following the Pre-Application Advice
- The revised internal layout has provided the opportunity of increasing the amount of glazing to the rear elevation and improving the amount of daylight in the dwelling.

3. Planning Policy

3.1. The planning policy framework against which the proposed development should be assessed comprises:

- National Planning Policy Framework (NPPF) (2012)
- The London Plan (2016)
- Camden Loan Plan 2017
 - G1 – Delivery and location of growth
 - H4 - Maximising the supply of affordable housing
 - H6 – Housing choice and mix
 - H7 – Large and small homes
 - A1 – Managing the impact of development
 - D1 – Design
 - D2 – Heritage
 - E2 – Employment premises and sites
 - CC5 – Waste
 - T1 – Prioritising walking, cycling and public transport
 - T2 – Car-free development and limiting the availability of parking.
- Camden Planning Guidance 1 Design (2015)
- Camden Planning Guidance 2 – Housing (2015)
- Camden Planning Guidance 5 – Town Centres, Retail and Employment (2013)
- Camden Planning Guidance 6 – Amenity (2013);
- Camden Planning Guidance 7 – Transport (2013)
- Camden Planning Guidance 8 – Planning Obligations (2015)
- Hatton Garden Conservation Area Statement (1999)

National Planning Policy Framework

- 3.2. The NPPF is clear that housing applications should be considered in view of the presumption in favour of sustainable development. In terms of design, sites should optimise their potential to accommodate development and respond well to local character and history through good architectural style.
- 3.3. Paragraph 22 states *"planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose."* It goes on to state that *"where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable communities."*
- 3.4. Paragraph 51 notes Local Planning Authority's ("LPA") should bring back empty buildings into residential use, and should normally approve planning applications for change to residential use from commercial buildings, currently in the B use classes, where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate.
- 3.5. Paragraph 131 elaborates that local planning authorities should take account of the desirability of sustaining and enhancing the significance of heritage assets, putting them into valuable uses consistent with their conservation, as well as the desirability of new development making a positive contribution to local character and distinctiveness.

- 3.6. New development should be sought within conservation areas in order to better reveal their significance and proposals that preserve or enhance those elements of the setting that make a positive contribution to, or better reveal the significance of the asset, should be viewed positively.

The London Plan (2016)

- 3.7. Policy 3.5 seeks that the design of new residential developments should enhance the quality of local places taking into context physical context, local character and density *inter alia*.
- 3.8. Policy 7.8 (Heritage Assets and Archaeology) set out London Plan policy regarding the historic environment in London, requiring the identification of the designated heritage assets in order for these to be conserved where they are affected by development.
- 3.9. Turning to design Policy 7.4 (Local Character) advises that development should have regard to the form, function, and structure of an area, place or street and the scale, mass and orientation of surrounding buildings.

Camden Loan Plan 2017

- 3.10. Policy G1 (Delivery and location of growth) seeks to create the conditions for growth to deliver the homes, jobs, infrastructure and facilities to meet Camden's identified needs and to harness the benefits of growth for those who live and work in the borough.
- 3.11. Policy H4 seeks to maximise the supply of additional housing.
- 3.12. Policy E2 (Employment premises and sites) seeks to safeguard existing employment sites and premises in the borough that meet the needs of modern industry, promoting and protecting the jewellery industry in Hatton Garden. The Council seek to secure and retain premises suitable for use as jewellery workshops and related uses.
- 3.13. Policy H1 seeks to maximise the supply of additional homes in the borough.
- 3.14. Policy H7 (Large and small homes) seeks to ensure all residential development contributes to the priorities set out in the Dwelling Size Priorities Table (2- and 3-bedroom having high priority).
- 3.15. Policy H6 (Housing choice and mix) includes a requirement for 90% of new build homes to comply with Optional building Regulations M4 Category 2 ("M4(2)") for "accessible and adaptable dwellings." The Policy states that "Compliance with Optional Building Regulations can only be required by planning condition where Part M of the Building Regulations applies. Part M applies to new-build dwellings, but does not apply to dwellings created by changes of use or conversions of an existing building. Planning conditions can also only be used where all elements of the relevant Regulation can be achieved. They cannot be applied to a dwelling where step-free access cannot be achieved. Circumstances where a planning condition may be inappropriate include flats above or below the entry level in a building where incorporation of a lift would not be viable."
- 3.16. Policy E2 (Employment premises and sites) relates to employment premises and sites, noting the council will resist a change to non-business unless it can be demonstrate that a site is no longer suitable for its existing business use; and there is evidence that the possibility of retaining, reusing or redeveloping the site for similar or alternative business use

has been fully explored over an appropriate amount of time. This Policy notes “in the Hatton Garden area the conversion of employment premises will only be permitted where it can be demonstrated that they have been vacant and marketed for at least two years and they are replaced by a mixed use development that includes premises suitable for use as jewellery workshops as well as other appropriate uses,” and that “the Council will expect the marketing evidence to clearly demonstrate that these premises have been marketed explicitly for the jewellery industry through appropriate media.”

- 3.17. Policy D1 (Design) seeks all extensions to existing buildings to be of the highest standards of design and sympathetic to the character and context of neighbouring buildings.
- 3.18. Policy D2 (Heritage) seeks to maintain the character of Conservation Areas and require that development within Conservation Areas preserves the character and appearance of that area.
- 3.19. Policy A1 (Managing the impact of development) seeks to protect the quality of life of occupiers and neighbours and notes that the Council “will grant permission for development unless this causes unacceptable harm to amenity.”

4. Key Planning Considerations

Principle of Conversion to Residential

- 4.1. It is proposed to change the use of the upper floors from commercial to residential, with the retention of the ground and basement floors for A1/B1 uses. The principle of the conversion was accepted in the Approved 2015 Scheme, which contains to remain valid although has not yet been implemented, and the Pre-Application Advice “the proposed change of use to residential is likely to be considered acceptable.”
- 4.2. In accordance with Policy E2 (Employment and sites) and then prevailing Policy DP13, marketing evidence was submitted in conjunction with the Approved 2015 Scheme which was deemed to have appropriately demonstrated that the building had been extensively marketed for period in excess of two years by a reputable company.
- 4.3. Since the Approved 2015 Scheme, the retail unit comprising the front of the ground floor and the basement has been successfully let to and is currently occupied by a trading jewellery retailer, and therefore the development already contributes to the Council’s strategic aim preserving the special character of the Hatton Garden.
- 4.4. While the appropriate marketing period was already demonstrated in conjunction with the Approved 2015 Scheme, an updated marketing report has been provided by Jarvis Keller Stephens confirming that upper floors of the building to which this application relates have continued to be marketed with *de minimus* interest shown by any potential commercial tenants. As noted here, the premises have now been vacant for in excess of seven years, which is an inordinately long period of time for a property to remain unoccupied in central London.

Provision of Roof Extension

- 4.5. It is proposed to erect a one storey roof extension with a small terrace to the front, along with a part roof terrace to the rear of the roof top, such principles having been accepted in the Approved 2015 Scheme.
- 4.6. The only amendment to the roof extension previously sanctioned in the Approved 2015 Scheme is the increase in the internal ceiling height to the rear of the new 3rd floor from approx. 2.1m to approx. 2.5m. Note that such increase only applies to the rear of the property, and therefore has no impact on the streetscape. Furthermore, the minor increase at the rear roof level still leaves the building height subordinate to a number of other nearby buildings.
- 4.7. The extension would bring the building in line with the heights of No.16 and No.10 Hatton Wall. Furthermore No.12 has re- applied for its previously approved roof extension (ref: 2005/0736/P). The proposals will therefore not add significant bulk or unbalance the architectural composition of this group of buildings.
- 4.8. It is considered the extension is of a high standard of design and meets the requirements set out in Policy D1 (Design) and CPG1.

Provision of Residential Accommodation

- 4.9. The proposals will provide one residential unit, comprising a two bed unit contributing to the Council's development size priorities pursuant to Policy H7 where 2- and 3-bed units are a high priority. This unit will exceed both Camden's and the GLA's internal space standards.
- 4.10. While the Approved 2015 Scheme provided for two residential units, given that the premises are currently vacant, a scheme with one residential unit will still contribute to the Council's objective of increasing the housing supply. The Pre-Application Advice further stated that "there is no objection to the upper floors of the site being used for one residential unit rather than two as approved under planning permission 2014/7438/P."
- 4.11. The unit will benefit from approximately 31.5 sqm of outdoor private amenity space comprising a small space to the rear of the building, a small terrace to the front of the third floor level and a roof top terrace, which been designed having regard to the guidance within CPG2 and exceeds the minimum standards as set by the GLA..
- 4.12. Whilst Policy H6 provides that 90% of new build homes in Camden should comply with Optional Regulation M4(2), this policy does not apply to dwellings created by changes of use or conversions of an existing building or where step-free access to the premises is not possible, which is the case of the current application due to the retail unit on the lower floors of the building. As not all elements of Regulation M4(2) may be incorporated in the design of the proposed unit (the dwelling will not be step-free due to the retail unit on the lower floors), compliance should not be required by any planning condition.
- 4.13. Given the excellent public transport levels, the residential units will be car free, which will be secured via a S106 agreement. In terms of cycle parking, CPG 7 states that cycle parking standards are applied at a threshold of 500sqm, however given our proposals will result in the conversion of 107sqm, this falls considerably below the threshold. Furthermore, as the residential accommodation is to be located above ground floor level and there is no existing outside space it is not possible to include cycle parking. Therefore, no cycle parking is proposed, nor can be possible to include within the scheme. This was considered acceptable by the Council in the Pre-Application Advice.

Amenity

- 4.14. The Pre-Application Advice noted that the proposed roof extension would be unlikely to harm neighbour amenity in terms of daylight, sunlight or look. Furthermore, the principle of a roof terrace at the front of the building on the new 3rd floor and on the rear part only of the rooftop has already been established through previous planning approvals.
- 4.15. As previously noted the roof top terrace occupies the rear of the rooftop only, is set behind the parapet and incorporates metal railing balustrade for an authentic as well as minimal appearance. This is in accordance with the guidance for terraces set out in CPG1 and as such will not cause any impacts on neighbouring amenity in terms of overlooking for privacy. Furthermore, the Council note within their pre-application advice that due to the location of the roof extension it would be unlikely to have an adverse impact on surrounding occupiers in terms of loss of light or loss of privacy.
- 4.16. A Daylight and Sunlight Assessment was previously carried out in conjunction with the Approved 2015 Scheme and demonstrated adequate levels of daylight to the habitable rooms to the rear of the building and compliance with BRE guidelines. Given that the current application provides for more window and benefits from a more open internal layout, the provision of daylight inside the building should be improved vs the previously consented scheme.

14 Hatton Wall
Marketing report
Appendix C

Rachel English

Camden Council Planning Department

Argyle Street

London

EC1 H8VQ

24th October 2017

Dear Rachel

RE: 14 Hatton Wall, London EC1N 8JH

I have been requested by Laura Kimmel and Michael Werner to provide you with a update to the marketing report dated 6 June 2014 which was submitted in conjunction with Planning Application 2014/7438/P (the "2014 Marketing Report") for the change of use of part the ground floor, first, and second floors from commercial to residential (such parts of the building, the "Premises") and the erection of single storey roof extension and roof terrace *inter alia*. You will find the 2014 Marketing Report appended to this submission.

Full Planning Permission subject to a 106 Legal Agreement was granted on 23 March 2015, and it was noted in the Planning Decision that "the applicant has appropriately demonstrated, through marketing evidence, that the site has been vacant without serious interest from prospective buyers for at least 2 years."

Update since 2014 Marketing Report

Following the 2014 Marketing Report, we continued to market the entire building to let, the ground and basement to let together as a self-contained unit, the first and second floors to let together as a self-contained unit and the first and second floors to let independently so we were maximising the potential interest to include 2,000 sq ft, 1,000 sq ft and 500 sq ft occupiers, both from the A1 sector (ground and basement) and B1 sector (uppers).

In November 2015, we agreed terms with Mayfair Gems Limited, a jewellery retailer (A1 use), for a lease of part of the ground floor (front) and basement at a rent of £33,500 per annum, for a 10 year lease with a tenant only break option at the 5th year.

Following this letting which did not actually legally exchange until July 2016, Mr Higgins instructed us to see if the property could be sold with the benefit of the letting producing income, and the two planning consents for the upper parts, which we felt would attract either a B1 owner occupier, a residential owner occupier, or a developer keen to pursue either the consented B1 development or the consented residential development, to then let/sell.

As part of the marketing campaign, Mr Higgins instructed a prominent advertisement in the Estates Gazette (cost apx. £1,000 plus VAT).

The advertisement stated that the property benefited from approved planning consents for both B1 and residential developments, but the only enquiries we received were from residential-led buyers, which was also the case from the other marketing activities that we carried out.

The property was placed under offer to a Mr Boulis at the end of December 2016, a experienced residential developer.

However, the sale ran on for many months and ultimately the vendor withdrew due to delays from the purchaser who we understood required his own sale to complete before being able to exchange.

Soon after this we had interest from a number of residential led buyers again, and were very close to agreeing terms with a party intending to implement the consented residential planning permission, but could not reach agreement ultimately.

Terms were shortly after agreed with Laura Kimmel and Michael Werner on the basis of a condition on the sale being that planning consent is obtained by them for a similar residential permission to the existing, but for the two flats to be combined into one dwelling.

Throughout this time the 1st and 2nd floors have also remained on the market to let to B1 occupiers, but we have had no material interest to report.

The Hatton Garden [B1] occupier market appears to have cooled and we are receiving a similar lack of interest in other properties we are marketing in the vicinity, consistent with our experience during the marketing period as described in the 2014 Marketing Report.

Summary

In accordance with the guidance set out in paragraph 7.18 of the CPG5 Town Centres, Retail and Employment I confirm that:

- I am a reputable local agent with a track record of letting employment space within London Boroughs of Camden and Islington. Our current portfolio can be viewed on www.jarviskellerstephens.co.uk.
- There has been a constant visible marketing board outside the property throughout the marketing period as described in the 2014 Marketing Report and continuing to date.
- The marketing material has been published on the internet and exercises have include direct mail shots to our applicant database, listing the property on our website, listing the property on Costarand EGI (Estates Gazette) and marketing the property through the Estate Agents Clearing House
- As evidenced above the marketing has been continuous since 18th May 2011, i.e. more than six years
- As detailed in the 2014 Marketing Report, I believe that the advertised rents were/are reasonable, reflecting marketing rents in the local area and the condition of the property.
- The lease terms are attractive to the market and they were offered flexibly in terms of the building being let in two parts. In the 2014 Marketing Report, I reported that there had been no material interest in rental of the first and second floors. This has continued to be the case since June 2014.
- The Premises are currently vacant and have been so since the 2014 Marketing Report.
- We have also sought B1 owner occupier buyers for the upper parts and there has been no interest whatsoever.
- We have also sought developer buyers seeking to implement the B1 consented scheme. There has been no interest from any parties to pursue such a development either.

In summary, based on my experience letting properties in the Hatton Garden area generally and given the history of this property in particular, it is my professional opinion that the Premises will not achieve any lettings for B1 purposes.

Kind regards

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal stroke.

John Keller

6th June 2014

Rachel Miller
Planning Officer
London Borough of Camden
Town Hall Extension (Environment)
Argyle Street
London
WC1H 8EQ

Dear Rachel

RE: 14 Hatton Wall, London EC1N 8JH

I have been requested by my client Mr Desmond Higgins to provide you with a marketing report in relation to the above property and a prospective planning application I understand he intends to make to change the use of the 1st and 2nd floors of the building from an office/workshop to residential use and that the ground floor and basement area will remain as existing for commercial use.

Jarvis Keller Stephens' Experience in Hatton Garden Area

In addition to the marketing activity we have recently undertaken at 14 Hatton Wall we have also been very active in the immediate vicinity marketing 23-27 Hatton Wall and 96 and 96A Leather Lane.

We commenced marketing 23-27 Hatton Wall, a mixed use retail and B1 building 'to let' in August 2011. We were ultimately unsuccessful and after a very extensive marketing campaign where we did not receive a single credible offer to rent the premises, were instructed to sell the building. A sale of the building eventually completed in April 2013. After the purchase completed, the buyer PPR Estates Limited submitted a planning application for change of use at first floor level from sui generis to residential (Class C3), and erection of a roof extension, including extension at second floor level rear, new third floor level to create an additional storey, in connection with the provision of 2 x 1 bedroom and 3 x 2 bedroom self-contained flats, and alterations to shopfront including new residential entrance. The application was validated on 4th November 2013, but no decision has been made yet by Camden. Revised drawings were submitted in March 2014 and this may explain the delay.

We were also instructed to let nearby retail units 96-96A Leather Lane in May 2012 and we have not been able to let them. We understand the owner of this building is now intending to develop it. The size of the commercial space in the building will be reduced.

Accordingly, my impression of the Hatton Garden jewellery sector as a commercial agent in EC1 is that is now a very niche market, aside from the retail units in the prime Hatton Garden area. In respect of B1 workshop space, we are seeing less and less demand from occupiers who prefer modern, purpose built industrial facilities out of Central London and the Hatton Garden jewellery sector is now in the main only the jewellery shops on Hatton Garden itself, principally in the south end of the street.

14 Hatton Wall

Background to our Instruction

My Firm have dealt with this property for many years having previously acted for the former owner – the Joseph family, a long standing client of my Firm's since the 1980s on their commercial properties in EC1, 14 Hatton Wall being one of them.

Jeffrey Keller FNAEA | Lucy Stephens MNAEA | John Keller ACA

Kelvin Jarvis (consultant)

Jarvis Keller Stephens is a trading name of
Jarvis Keller Stephens Limited.

Registered office:
Roxburghe House
273 - 287 Regent Street
London W1B 2HA.

Registered in England No: 5490865

The previous owners instructed my Firm to sell the building on 16th May 2011. We went to the market quoting a price of offers in the region of £850,000 which I am satisfied was a market price and by quoting “offers in the region of”, we were demonstrating to the market that the vendor may be prepared to negotiate around this level. The property was marketed as being used as a showroom, offices and workshop and to owner occupiers, investors and developers and a marketing board was placed on the building.

Unfortunately, we were unable to arrange a sale of the property and on the 26th January 2012, we were instructed to also market the property to let by the Josephs. Our marketing board was changed to reflect the property was available to let and for sale.

The vendors were willing to let the whole i.e. the entire building to a single tenant, but also the ground and basement which can be separately accessed to one tenant, with the first and second floors to another tenant. Indeed, I had advised them that the likelihood of finding a single tenant for the whole building was remote for the following reasons:

- Most occupiers requiring 2,000 sq ft do not wish to be spread over 4 small floors and amongst larger space requirements i.e. 1,000 sq ft plus, there is a great preference towards single floor plates.
- It is unlikely that an occupier requiring 2,000 sq ft would need a 500 sq ft shop/showroom with window frontage and 1,500 sq ft of B1 space.
- The upper parts were arranged as workshops, with a reinforced floor, ducting for extraction etc. and so many office occupiers who may have been prepared to occupy would be put off by the prohibitive fit out costs. As pointed out above, the demand for workshop space is very weak.

Accordingly, they were willing to let the ground floor self contained showroom and basement separately from the upper parts and gave me instructions to market the ground floor showroom and basement floor (for £25,000-£30,000 per annum) and the first and second floor workshop/offices for (£20,000-25,000 per annum) quoting rents separately to give a further chance of the building being let even in part. These rental values were market values – a premium being provided to the ground floor due to it having a more valuable A1/retail use with window frontage to the street. Also by providing me with a range that was acceptable to them, I was able to tell interested parties where applicable that the price was negotiable.

In addition we were also instructed by the Josephs to reduce the sale price of the property (to offers in the region of £750,000). At this level, we anticipated a quick sale.

As discussed in further detail below, soon after the price of the property had been reduced to offers in the region of £750,000, a sale was agreed to Desmond Higgins, the current owner. After agreeing terms, Mr Higgins instructed me to continue to market the property for rent as he would look to rent it out once the sale completes. Mr Higgins also instructed me that he would consider letting the upper floors separately so in addition to 2,000 sq ft and 1,000 sq ft requirements, the floors could be marketed towards occupiers seeking 500 sq ft.

Marketing Activity

As set out above, following completion of the sale to Mr Higgins in June 2012, we continued to market the entire building to let, the ground and basement to let together as a self contained unit and the first and second floors to let together as a self contained unit.

However, Mr Higgins also instructed us to market the first and second floors to let independently so we were maximising the potential interest to include 2,000 sq ft, 1,000 sq ft and 500 sq ft occupiers.

A board has remained outside of the property for nearly 3 years advertising the property for sale or to let (since 18th May 2011). In this time, the property has been marketed as follows, and the marketing board has reflected this:

May 2011

- For Sale Offers in the region of £850k

January 2012

- For Sale Offers in the region of £750k, and
- To Let Basement, Ground, First and Second Floors (i.e. 2,000 sq ft) £55,000 per annum, and
- To Let Ground and Basement Floors (i.e. 1,000 sq ft) £30,000 per annum, and
- To Let First and Second Floors (i.e. 1,000 sq ft) £25,000 per annum

June 2012

- To Let Basement, Ground, First and Second Floors (i.e. 2,000 sq ft) £55,000 per annum, and
- To Let Ground and Basement Floors (i.e. 1,000 sq ft) £30,000 per annum*, and
- To Let First and Second Floors (i.e. 1,000 sq ft) £25,000 per annum, and
- To Let First Floor £12,500 per annum, and
- To Let Second Floor £12,500 per annum

*Except for the period when the basement and ground floors were let to Bullion Traders Limited.

We had a strong board presence in the immediate location and all relevant enquires we received on other properties close to 14, Hatton Wall were also sent details of 14 Hatton Wall, yet we have received very little interest in the property and ultimately been unable to let the premises despite having carried out a comprehensive marketing campaign including direct mail shots to our applicant database, erecting a marketing board, listing the property on our website, listing the property on Focus and EGI (Estates Gazette) and marketing the property through the Estate Agents Clearing House. We have continued to list the property as appropriate with all of these sources throughout the period of our marketing and in respect of Focus which is the principal platform agents use to market their properties; we receive monthly calls from our account manager to update all of our properties that we are marketing.

Interest Received

We were not able to find a tenant but were able to introduce a buyer and on the 15th June 2012 a sale was completed to Desmond Higgins, a professional property investor at a price of £725,000.

During the period of negotiations with Mr Higgins, the property remained on the market to let from the time Uri Joseph instructed us on 26th January 2012, as initially there was concern from the Josephs that Mr Higgins would not complete the sale. When it became apparent Mr Higgins would be progressing, as I point out above Mr Higgins instructed me to continue to market the building to let quoting the same terms (it was not until after the sale had completed to Mr Higgins that he instructed me to also market the first and second floors separately quoting £12,500 per annum per floor), as upon completing the sale he would be seeking to rent the building out and indeed we wrote to Mr Higgins after exchange of contracts, confirming that we would continue to market the property to let for him.

Indeed whilst solicitors were instructed to convey the sale of the properties to Mr Higgins, in March 2012 we entered into negotiations for a letting of the ground floor and basement to David Deyong, a jewellery retail business who were proposing to use the ground floor as a shop and the basement for office, storage and ancillary use. Regrettably, David Deyong withdrew from the proposed letting. I understand that they felt the pitch was too secondary to support a retail business. We understand Deyong subsequently decided that the Hatton Garden area was not strong enough for their business

which I believe has units in the Westfield shopping centres in Stratford and Shepherd's Bush and also in Fulham Broadway.

We were however subsequently able to agree terms with Bullion Traders Limited, a newly incorporated company for a letting of the ground floor and basement only. Bullion were proposing to use the ground floor as a counter for the purchase of gold and other precious metals from the public and to use the basement as a workshop where the metals bought would be melted down and aggregated into a larger quantity that could be traded. On 2nd July 2012, solicitors were instructed to convey a 10 year lease to Bullion at a commencing rent of £20,000 per annum. I wish to point out that not only did the Tenant require a significant discount on the quoting rent which as we had been marketing the premises to let since January 2012 Mr Higgins felt obliged to accept, but the Tenant also required a break option at the 5th year of the term as they were uncertain of whether their business model would be successful, and in order to facilitate the letting Mr Higgins also agreed to this.

A lease was completed to Bullion on 20th August 2012 but we understand that Bullion experienced a number of difficulties following completion of the lease – one of the directors, Cllr Mohammed Khursheed suffered a severe heart attack and the other director Mr Chaudhary became involved in a legal case and as a result Bullion were never able to open their business. I understand Mr Higgins had discussions with one of the directors' sons who initially showed some interest in taking the lease over, but then withdrew his interest and subsequently Mr Higgins agreed a mutual surrender of the lease.

Since 26th January 2012, the property as a whole or as separate units comprising ground floor and basement and first/second floors together or separately has remained on the market. For a floorspace to remain on the market for in excess of two years is, in my professional opinion, an inordinate amount of time.

Whilst we have received a small number of enquiries for the ground floor shop and basement, interested parties have seldom followed up their interest and very few viewings have been requested. There has been no material interest for rental of the first and second floors.

In addition to David Deyong and Bullion (to which I have referred above), I set out below a summary of the most significant interest we have received, all of which has been for the ground floor and basement.

In May 2013, we entered in to discussions with a Turkish based gold refinery business IGR Global and an offer was made by them to lease the ground floor and basement. IGR were proposing a similar business model to Bullion. However after a further period of due diligence by IGR Global their interest cooled and they subsequently withdrew their interest. I understand that the company was not ready for an expansion into the UK market yet.

In October 2013, a local jeweller Karl Karter made enquires to rent the ground floor and basement space for the purpose of the making and selling jewellery and carried out a number of viewings, but ultimately never made an offer despite me making it clear to him that we could agree flexible terms to accommodate him and meeting with his accountant to explain this in more detail.

In the whole time of our marketing the premises to let, the only material enquiry I have received in respect of the upper parts (i.e. an enquiry where a viewing was carried out/further information requested) was in October 2013 from Tony Bond, a jeweller based in Buckinghamshire who was interested in the second floor as there is an extraction flue in situ and it was my understanding that the nature of his business required an extract duct for the machinery he uses. Despite having a number of telephone calls with me to discuss the property and carrying out a viewing, Mr Bond never actually submitted an offer.

I would also like to point out that prior to Mr Higgins ownership, whilst the Joseph family operated a business from the ground and basement floors, it is my impression from the regular viewings I carried out with parties interested in the purchase of the building and from my discussions with the Joseph family, that the upper floors were under utilised and whilst machinery was contained on the first and second floors to support the retail business, it was seldom in use, and ultimately upon the sale of the building the machinery was shipped to the United States to be redeployed in another business owned by the family. The above has also been confirmed to me recently by Mark Hattersley who managed the Joseph's business for many years at 14, Hatton Wall.

It is also important to consider that prior to agreeing the sale to Mr Higgins, the Josephs who had a very long established Hatton Garden business, may have been unable to operate it viably as they were seeking to let the whole building.

The Local Office Market

I wish to inform you that we also marketed the first and second floor space to let to office users and the marketing board currently reflects this, stating "TO LET COMMERCIAL PREMISES 2,000 sq ft OVER 4 FLOORS" as do our details which state workshop/office to let ,however the feedback we have received is that the floors are unsuitable for modern office occupiers being small floor plates with poor access above a secondary shop.

Hatton Wall being a back street in the Hatton Garden area has limited appeal for most office occupiers and indeed west of the junction with Hatton Garden, the only office building of note is Black Bull Yard which I understand offers predominately serviced office space i.e. short term lettings.

The office market in EC1 is now very well developed and landlords must compete for tenants and if their product is undesirable to tenants it will be very difficult to let.

The EC1 office occupier market is now characterised by technology, media and architecture businesses who demand modern, well specified premises i.e. efficient heating and cooling systems, raised floors, showers and cycle storage, break out areas and environmentally conscious workspaces. Refurbishing the first and second floor to this standard would be a substantial and prohibitive cost.

We also feel it is unrealistic to expect a tenant to carry out a refurbishment so that they can occupy the floors, on the basis that a rent free period in lieu would be provided to them by Mr Higgins. Small companies seeking 500-1,000 sq ft of space do not have the resource both in terms of financial capital and management time to be able to undertake such projects. Also, small companies tend to require short term flexibility i.e. a term of 3 years or the opportunity to break their lease. Accordingly, in our experience a letting where an occupier would be required to make a substantial up front investment would not appeal to them.

Summary

In accordance with the guidance set out in paragraph 7.18 of the CPG5 Town Centres, Retail and Employment I confirm that:

- I am a reputable local agent with a track record of letting employment space within London Boroughs of Camden and Islington. Our current portfolio can be viewed on www.jarviskellerstephens.co.uk.
- There has been a visible letting board on the property (constant throughout the marketing period) as detailed above.
- The marketing material has been published on the internet and exercises have included direct mail shots to our applicant database, listing the property on our website, listing the property

on Focus and EGI (Estates Gazette) and marketing the property through the Estate Agents Clearing House.

- As evidenced above the marketing has been continuously since 18th May 2011 i.e. 3 years
- As detailed in the above letter, I believe that the advertised rents were/are reasonable, reflecting market rents in the local area and the condition of the property.
- The lease terms are attractive to the market and they were offered flexibly in terms of the building being let in two parts. Although there has been some interest in the floorspace at ground floor and basement, no letting has been achieved. There has been no material interest in rental of the first and second floors, and no interest at all from an occupier to rent the whole building.
- The building is currently vacant.

Based on my experience, it is my opinion that the property will not achieve any lettings for B1 purposes. In respect of the ground and basement floors, I consider that there is a prospect at some point in the coming year, with continued marketing that a realistic proposal may come forward for retail use of the ground floor and typically this user would also require ancillary space for storage, office etc. so we may also be able to let the basement, However even this will be challenging. The possibility of finding a B1 occupier for the first and second floors is in my view highly unlikely.

I trust the above report is useful to you but should you wish to discuss anything in further detail, please do not hesitate to contact me.

Kind regards

John Keller