

## Market analysis in respect of a proposed change of use from B1(office) to D1

1<sup>st</sup> Floor, The Coach House,  
39 College Crescent, LONDON, NW3 5LB

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For more information please contact:  
David Matthews  
D: 020 7443 9866  
E: david@dutchanddutch.com

### Instructions

I have been instructed by Mark Silvert to provide market analysis in relation to B1 Office and D1 properties in and around the College Crescent area of NW3 to support his application for a change of use at first floor level from B1 to D1. I have also been asked to provide some commentary on the likely impact of this change of use.

### Experience

David Matthews BA MSc is a Director of Dutch & Dutch and has been involved in the disposal and acquisition of commercial property in and around North West London for 20 years. He has acted for Institutions, Government departments, Local Authorities, FTSE 250 Companies as well as local businesses and individuals. He has been involved in transacting and advising on in excess of 3 million square feet of office, industrial and retail space.

Dutch & Dutch have been involved in numerous transactions within the North West London area over the past 45 years, acting as agents on a disposal and acquisition basis.

## Overview & Background

Planning was granted in 2009 for the redevelopment of this site to create 6 apartments and the refurbishment of 'The Coach house', a two storey B1 office building fronting College Crescent, NW3. I understand that the scheme was completed in 2017.

The ground and first floors of The Coach House were let to a pet food distributor (Lilly's Kitchen) on a lease expiring September 2019. However, the company vacated the property November 2018 as the space became surplus to their requirements. We understand that they have now downsized their operation and moved all departments in to a building they already occupied in Hampstead High Street.



39 College Crescent - frontage

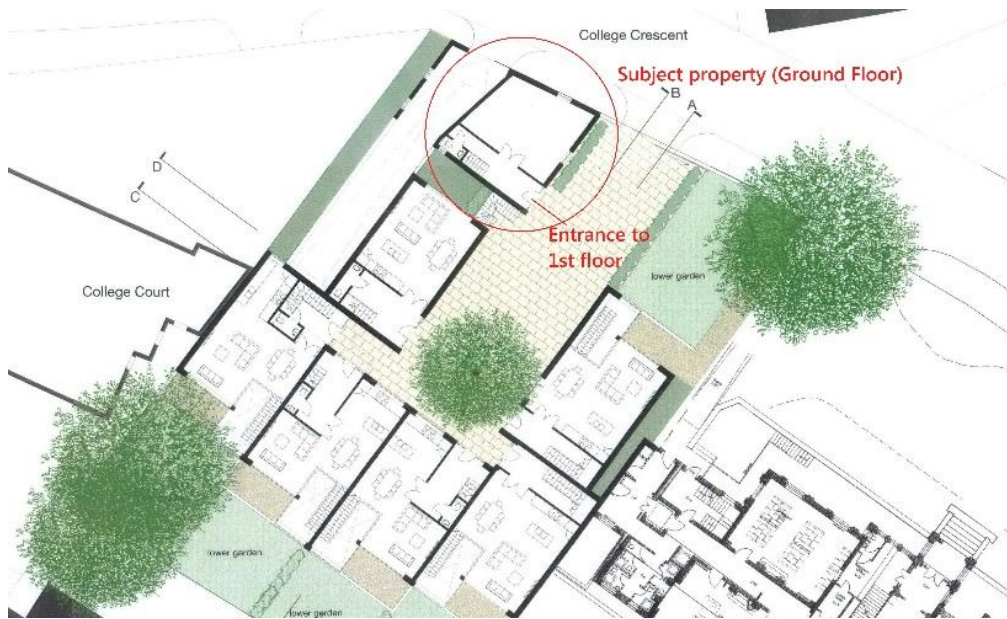
39 College Crescent - 1st floor space



## Accommodation

The property is arranged as follows. *Areas from VOA valuation*

	sq m	Sq ft	Use
<b>Basement</b>	38.87	418	B1
<b>Ground floor</b>	41.76	450	B1
<b>First Floor</b>	80.22	863	Proposed Change B1 to D1
<b>TOTAL</b>	<b>160.85</b>	<b>1,731</b>	





## Access

The Coach House is accessed via a security-controlled pedestrian gate from the street. The entry door to the property is roughly 5m from the street.

Staff and occasional visitors to the building would cause no disturbance to the residential units in the estate.



## B1 office space availability in the local area

There are numerous B1 office buildings in the local area, some purpose built and others historic conversions from other uses. The following table shows office accommodation within 1 mile of NW3 5LB and of a similar size to the subject property (500-1200 ft<sup>2</sup>) advertised as available on [www.Rightmove.com](http://www.Rightmove.com)<sup>1</sup> at the time of this report being prepared (14<sup>th</sup> February 2019).

There were 18 options and the table highlights a selection of available space.

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<sup>1</sup> Rightmove is now considered to be the most comprehensive online portal for commercial property listings. Similar searches on Propertylink, Realla and Movehut yielded fewer results.

rightmove

Commercial Properties To Let in NW3 5LB, within 1 miles, serviced office, business park, office

18 results


Sort: Relevance Grid List Map

**Office**  
**ACACIA ROAD, ST JOHN'S WOOD, NW8**  
 0.73 miles  
 A 20th century building designed in the Georgian style to blend seamlessly with the architecture and ambience of surrounding St John's Wood. Set in affluent North West London, this  
 Marketed by Search Office Space, SOS - Greater London

£6,630 pcm From  
 1,500-7,500 sq. ft.

SEARCH OFFICE SPACE 020 3858 2918 Local call rate Email agent



→ See commercial properties for sale in NW3 5LB

### Barkat House, 116-118 Finchley Road, NW3 5HT



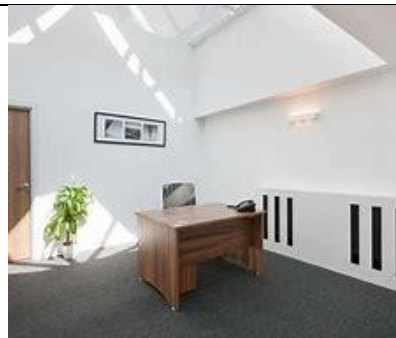
### Office spaces available from 500-1500 ft2



### Acacia Road, St Johns Wood, NW8



### Office spaces from 500-1,200 ft2



### Heath Street, Hampstead, NW3



### Office spaces from 500-1,200 ft2





**Primrose Hill Business Centre, NW1**

Office spaces from 700-1,250 ft2



**Ironbridge House, Bridge Approach, Chalk Farm, NW1**

Office units from 1,258 ft2



**1-3 Canfield Place, Finchley Road, NW6 3BT**

Office unit of 1,278 ft2



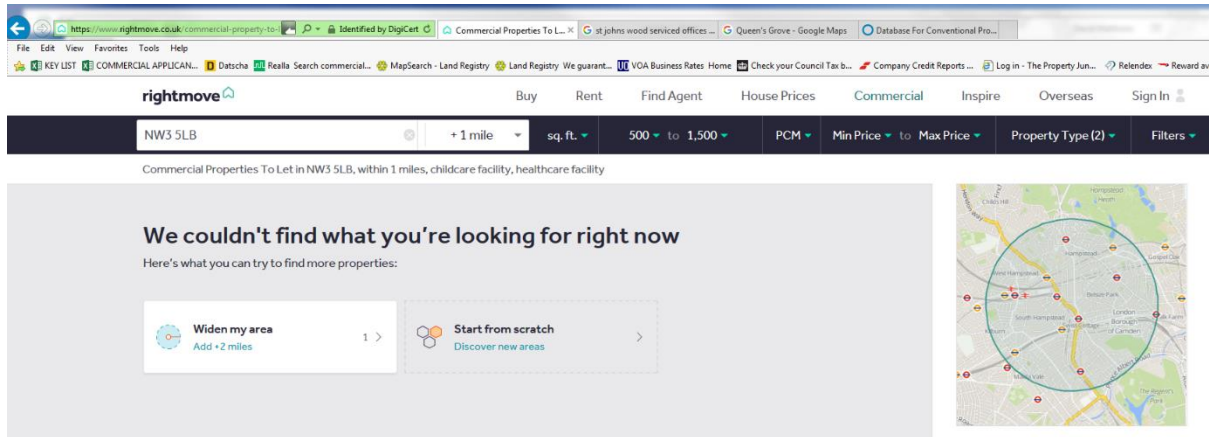
**Finchley Road, St Johns Wood, NW8**

Office spaces from 500-4,000 ft2



## D1 space availability in the local area

A similar search for D1 space resulted in 0 results.



## Office occupier demand

A growing economy and reduction in available office space as a result of PDR during the period 2013- 2018 created an imbalance with office demand outstripping supply resulting in rapidly increasing office rents.

However, the office agency team at Dutch & Dutch have seen a marked slowdown in office occupier demand over the past 4-6 months (since mid-2018). There is no question that demand for office accommodation was strong in North West London over the past 5 years and certainly up until mid-2018. However, concerns over Brexit uncertainty and a flat economy has resulted in many local businesses putting investment and expansion plans on hold.

As a result, there is now arguably a growing oversupply of office accommodation in NW3, NW6 and parts of NW1.

## Co-working and flexi office space

The other factor to affect the traditional office space market is the rise of co-working office centres such as we-work, the office group and the collective. These new concepts have drawn start-ups and small businesses away from traditional offices who can't offer the same networking opportunities, facilities or lease flexibility.

**D1 demand**

It is widely accepted that there has always been a lack of D1 accommodation within this part of the borough. This is why there are policies to resist the loss of D1 accommodation. There is also significant demand for D1 space. Our office agency team receives more enquiries for D1 accommodation than for any other use class. In December 2018 and January 2019 we had 18 enquiries from D1 operators requiring space in North West London.

**Proposed User**

The proposed D1 user is psychiatrist practice who run clinics on a 1:1 basis. I am told that there are likely to be 8-10 employees within the property which would result in no net loss of employment in the space (assuming the established ratio of 1 person : 100 sq ft). 1:1 clinics would be unlikely to generate more pedestrian traffic to the unit than the existing office use.

**Summary & Conclusion**

- The property is currently vacant and surplus to the tenant's office requirement
- The access arrangements do not impact on the surrounding residential accommodation
- There are several similar sized B1 office spaces on the market in the local area
- There are no D1 spaces available in the local area
- Demand for traditional office space in NW London is ebbing as a result of an unpredictable political climate and growth in co-working and flexi workspace options.
- The proposed D1 use will not result in a loss of employment
- The proposed D1 user will not have a negative impact on the neighboring properties.

We feel that the application for a change of use on this property should be supported by the local authority.

David Matthews

