

Planning, Design and Access Statement

1st Floor

53-54 Tottenham Court Road

Fitzrovia

W1T 2EJ

06 February 2020

Change of use from vacant commercial unit that has
been marketed as a residential flat to an office (B1
use)

Applicant: Trustees of Micro Anvika



Sanderson
Weatherall

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1. Introduction

- 1.1. This Planning, Heritage, Design and Access Statement has been prepared, on behalf of the Trustees of Micro Anvika (hereafter 'the applicant'), to support a planning application for a change of use of the 1st Floor, 53-54 Tottenham Court Road, Fitzrovia, W1T 2EJ (hereafter 'the application site') from a vacant commercial unit that has been marketed as a residential flat to an office (B1 Use).
- 1.2. **By way of context, the current planning application seeks planning permission for the same development that was applied for in 2018 under reference 2018/4674/P which was ultimately withdrawn. At that time, the current use of the property was described as residential; we now know that it has only ever been marketed as a residential flat by the current landlord and it has never been used in this way, either lawfully or unauthorised. This is why the current use is now described as a vacant commercial unit that has been marketed as a residential flat.**
- 1.3. The purpose of this statement is to describe the site and its location; describe the proposed development; explain the relevant planning history; identify the policy context; explain design and access consideration; and assesses the extent to which it complies with the Development Plan and other material considerations.

The remainder of this report follows the structure set out below:

- Section 2 – Site Location and Description
 - Section 3 – Proposed Development
 - Section 4 – Relevant Planning History & Difficulty in Establishing Lawful Use;
 - Section 5 – Planning Policy Context;
 - Section 6 – Design and Access Considerations;
 - Section 7 – Planning Justification;
 - Section 8 – The Planning Balance; and,
 - Section 9 - Conclusion.
- 1.4. Any queries or requests for further information should be addressed to Owen Pike at Sanderson Weatherall LLP (0117 3381813) or email owen.pike@sw.co.uk.

2. Site Location and Description

Application Site Location

- 2.1. The application site is located within the designated Tottenham Court Road Central London Frontage on the south-west side of Tottenham Court Road between the junctions with Gooch Street and Windmill Street, respectively. An A5 takeaway (currently occupied by ITSU) lies on the ground floor of the building below the application site. There are residential use(s) (flats) on the second and third floors of the building above the application site. It is bounded by a narrow courtyard on the north-west side, beyond which is a retail unit, a café on its south-east side and mixed-use offices to the rear (south-west). Opposite the application site is a four-storey building which accommodates a mix of retail and office uses. There are single yellow lines on the south-west side of the street immediately in front of the application site. The property has been vacant for close to six years.
- 2.2. The nearest residential properties to the application site are located approximately 25m to the south-east on the upper floors of 46 Tottenham Court Road
- 2.3. Tottenham Court Road is a busy street which is home to a wide range of commercial uses including a variety of retail outlets and employment uses as well as residential uses within the heart of Fitzrovia.
- 2.4. The nearest tube station to the application site is 140m to the north-west. The nearest bus stops are on Tottenham Court Road to the south of the application site; there are therefore a number of public transport stops within a short walk of the application site.
- 2.5. The property is located inside the Charlotte Street Conservation Area. It is not located within an area at risk of flooding.

Application Site Description

- 2.6. The application site comprises vacant floorspace on the first floor of a four-storey end of terrace building. The main building entrance is located adjacent to the courtyard on the north-west side of the building.
- 2.7. The total floor area at first floor is approximately 121sq.m (1,306sq. ft.). The internal layout comprises a kitchen, bathroom and two double bedrooms. The property is neither statutorily nor locally listed.

- 2.8. There is no vehicle parking at the property but good access to London's public transport network including the tube and buses. Furthermore, there are several cycle lanes within proximity to the application site allowing for commuting to and from other London Boroughs.

3. Proposed Development

3.1. This application proposes the change of use of the first floor of 53-54 Tottenham Court Road, Fitzrovia, from a vacant commercial unit that has been marketed as a residential flat to Office (B1 Use). No external alterations or extensions are proposed to the property.

4. Relevant Planning History & Difficulty in Establishing Lawful Use

4.1. A summary of planning applications at 53-54 Tottenham Court Road is provided in the table below.

Table 1: Historic Planning Applications at Application Site

Application Reference	Type of Application and Proposed Development	Decision	Date
2018/4674/P	Change of use from residential (C3 use) to office (B1 use)	Withdrawn	31/10/18
PS9804485R4	General refurbishment of the building together with the creation of one additional residential flat (making three flats in total); the construction of a four storey plus basement infill extension facing Kirkman Place for part retail, part residential use; and a two-storey rear extension, over the existing ground floor extension to the property, for residential use.	Resolution to grant subject to Section 106	14/08/98
N13/20/E/33745	Continued use of the first floor as offices at 54 Tottenham Court Road	Refused for two reasons. 1. The continued use as offices involves the loss of residential accommodation contrary to the policy safeguarding the accommodation as expressed in the	27/07/82

		Greater London Development Plan and in the District Plan. 2. The continued use as offices involves an increase in office accommodation contrary to the Council's policy to restrain the growth of such space as expressed in the District Plan.	
N15/20/E/33248	Established Use Certificate for the first, second and third floors of 53 and the first floor 54 Tottenham Court Road as an office.	Lawful for 53. Refused for 54.	01/02/82

- 4.2. The lawful use of the application site is not clear in the site's planning history.
- 4.3. For example, the current planning application seeks planning permission for the same development that was applied for in 2018 under reference **2018/4674/P** (at that time, the current use of the property was described as residential; we now know that it has only ever been marketed as a residential flat by the current landlord and it has never been used in this way, either lawfully or unauthorised). Although this application was withdrawn, the Council acknowledged the difficulty of establishing the property's lawful use. An email from the Case Officer on 14 November 2018 (**Appendix 1** refers) confirmed the following:
- "...I can't see any evidence of the first floor of No.54 going back to residential use between 1982 and 1999, or between 1999 and the present day, although our Council Tax department have confirmed that they believe the first floor to be residential for Council Tax purposes..."*
- 4.4. The former might suggest the lawful use of the first floor of No.54 is an office whereas the latter would suggest its lawful use is residential.
- 4.5. But information from the Administrator (of the former retailer on the ground floor of the building, who was appointed in July 2012) confirmed that the first floor of the building i.e. the current application site was in use as an office with a board room. He also confirmed that the offices were occupied

by about 15 to 20 staff who dealt with the finance and the HR functions of the company. Furthermore, he confirmed most of these people continued their employment with the company throughout the administration period. During that period, the entrance to the office on the first floor was a staircase from the shop on the ground floor. The Administrator vacated the premises in 2013 at which time the entrance to the first-floor office was changed to the side door in an alley off Tottenham Court Road (the current access) and the ground floor was rented out to a takeaway food chain.

4.6. The above information from the former Administrator ties in with three old Valuation Reports all of which suggest that the application site was in a non-residential use in April 2012 (**Appendix 2** refers), August 2008 (**Appendix 3** refers) and September 2003 (**Appendix 4** refers). Specifically:

- The April 2012 Valuation Report (p4) identifies the application site as *“First Floor, Offices and Computer Room”*;
- The August 2008 Valuation Report (Paras 2.14, 9.3, 12.5, 12.14, 12.24 and Section3) identifies the application site as *“First Floor Ancillary”* or *“Ancillary Space to the Ground Floor Shop”*; and,
- The September 2003 Valuation Report (p3) identifies the application site as a *“First Floor Sales Area”*.

4.7. Additional evidence that the application a site was formerly used as employment / business floor space is provided by a Business Rates Notice of Alteration 2003 (**Appendix 5** refers), which show the rates payable for the application site on 9 July 2003, and the Existing and Proposed Plans which formed part of planning application reference **PS9804485R4**; these show the first floor in office use in 1998.

4.8. **In summary, it is significant that there is no evidence that the application site formally reverted back to residential use between 1982 and 1999, or between 1999 and the present day.**

5. Planning Policy Context

- 5.1. Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires planning applications to be determined in accordance with the Development Plan unless material considerations indicate otherwise. Section 39 of the Act requires decision makers to exercise their functions with the objective of contributing to achievement of sustainable development.
- 5.2. The Statutory Development Plan for an individual site comprises those Local Planning Documents which have been the subject of Examination in Public or testing through Public Inquiry and are adopted having been through due processes.

Development Plan Policy

- 5.3. The Statutory Development Plan most relevant to the proposed development comprises the following:
 - Policies Map (June 2018);
 - Camden Borough Local Plan (adopted July 2017); and,
 - Fitzrovia Area Action Plan (adopted March 2014).

Policies Map

- 5.4. The Policies Map reveals that the application site is located wholly within the Tottenham Court Road Central London Frontage, the Protected Primary Frontage, the Fitzrovia Area Action Plan, the Safeguarding Area for High Speed 2 and the Charlotte Street Conservation Area.

Camden Borough Local Plan

- 5.5. The Camden Borough Local Plan (CBLP) was adopted by the LPA in July 2017. It provides the spatial strategy for the Borough identifying the type, scale and broad locations of where new homes, transport improvements, jobs, shops, open spaces and services should occur in the period to 2031. It also provides policies to ensure new development addresses the key issues facing the area. The most relevant policies to the proposed development are identified below.
- 5.6. **Policy G1** identifies how the Council will deliver new jobs, amongst other things, to meet its identified needs as well as outlining the approach that will be taken to applications that support growth and investment within the Borough. It suggests that the Council will deliver growth by

securing high quality development and promoting the most efficient use of land and buildings in Camden by, inter alia:

- a. *“supporting development that makes best use of its site, taking into account quality of design, its surroundings, sustainability, amenity, heritage, transport accessibility and any other considerations relevant to the site;*
- c. *expecting the provision of a mix of uses where appropriate, in particular the most accessible parts of the borough, including an element of self-contained housing where possible;”*

- 5.7. The policy also identifies that there is an objectively assessed need to provide 695,000sqm of office floorspace to 2031.
- 5.8. Furthermore, criterion e) identifies ‘Tottenham Court Road’ as 1 of only 5 growth areas in the Borough where development should be concentrated. Together with other highly accessible locations and the areas located within the Council’s Community Investment Programme (inferred), Policy G1 expects growth areas to accommodate the most significant growth.
- 5.9. **Policy E1** provides the strategic policy for delivering economic development across the Borough. It states as follows:

“The Council will secure a successful and inclusive economy in Camden by creating the conditions for economic growth and harnessing the benefits for local residents and businesses.

We will:

- a. *“support businesses of all sizes, in particular start-ups, small and medium-sized enterprises;*
- b. *maintain a stock of premises that are suitable for a variety of business activities, for firms of differing sizes, and available on a range of terms and conditions for firms with differing resources;*
- c. *support local enterprise development, employment and training schemes for Camden residents;*
- d. *encourage the concentrations of professional and technical services, creative and cultural businesses and science growth sectors in the borough;*

- e. *support the development of Camden’s health and education sectors and promote the development of the Knowledge Quarter around Euston and King’s Cross while ensuring that any new facilities meet the other strategic objectives of this Local Plan;*
- f. *direct new office development to the growth areas, Central London, and the town centres in order to meet the forecast demand of 695,000sqm of office floorspace between 2014 and 2031...*”

5.10. Supporting text highlights the need for premises suitable for small businesses and the pressure on SMEs to find appropriate sites. **Para 5.6** states: *“In order to secure a strong and successful economy, the Council will support businesses of all sizes, particularly start-ups, small and medium-sized enterprises. Camden has a large proportion of small businesses, with 53% employing less than nine people and a further 14% employing between 10 and 49 employees. However, premises suitable for small businesses as well as medium sized enterprises are currently under pressure from rising land values, limited land availability and ‘permitted development’ rights which allow the change of use from offices (B1(a)) to housing (C3) without the need for planning permission and therefore without assessment against our planning policies”.*

5.11. **Policy H3** seeks to protect ‘all’ housing floorspace where people live long-term. Supporting text (**Para 3.66**) clarifies that the policy *“also seeks to protect individual self-contained houses and flats (in Use Class C3)”* and Houses in Multiple Occupation (HMOs). Policy H3 states as follows:

“The Council will aim to ensure that existing housing continues to meet the needs of existing and future households by:

- a. *resisting development that would involve a net loss of residential floorspace, including any residential floorspace provided;*
 - *within hostels or other housing with shared facilities; or*
 - *as an ancillary element of another use, wherever the development involves changing the main use or separating the housing floorspace from the main use...*”

5.12. **Policy TC1** relates to the quantity and location of retail development. It is clear that the Council will focus new shopping and related uses in Camden’s designated growth areas and existing centres, having regard to the level of capacity available in these locations. It outlines how retail and other town centre uses will be distributed across the Borough including the designated ‘Growth Areas’, ‘Town Centres’, ‘Central London Frontages’, and ‘Neighbourhood centres, specialist shopping areas, and small shops outside of centres’. It states as follows:

- *“...additional provision as part of redevelopment schemes in growth areas of Tottenham Court Road, Houlton and West Hampstead Interchange...”*
- *significant provision in the Tottenham Court Road Central London Frontage...”*

5.13. **Policy TC2** relates to Camden’s centres and other shopping areas. It is relevant insofar as it outlines the roles of designated primary frontages, amongst other things. It states as follows:

f. “...protect the primary frontages as locations with a high proportion of shops (A1) in order to maintain the retail function of the centre...”

5.14. **Policy TC4** relates to town centre uses. It seeks to ensure that the development of shopping, services, food, drink, entertainment and other town centre uses does not cause harm to the character, function, vitality and viability of a centre, the local area or the amenity of neighbours. It identifies several issues the Council will consider when determining planning applications. The most relevant are stated below.

- a. “the effect of development on shopping provision and the character of the centre in which it is located; ...*
- c. the Council’s expectations for the mix and balance of uses within frontages for each centre are set out in Appendix 4;*
- d. the individual planning objectives for each centre, as set out in the supplementary planning document Camden Planning Guidance on town centres and retail; ...*
- g. the impact of the development on nearby residential uses and amenity and any prejudice to future residential development;*
- h. parking, stopping and servicing and the effect of the development on ease of movement on the footpath...”*

5.15. Supporting text (**Para 9.32**) confirms that town centre uses includes offices (B1a use class), amongst other things.

5.16. **Appendix 4** identifies that there should be a minimum of 80% of the Tottenham Court Road Central London Frontage in A1 (shop) use.

5.17. **Policy T2** relates to parking and car-free development. It is relevant because it is clear the Council will limit the availability of parking and require all new developments in the Borough to be car-free.

5.18. **Policy A1** relates to managing the impact of development. It states as follows:

“The Council will seek to protect the quality of life of occupiers and neighbours. We will grant permission for development unless it causes unacceptable harm to amenity.

We will:

- a. seek to ensure that the amenity of communities, occupiers and neighbours is protected;*
- b. seek to ensure development contributes towards strong and successful communities by balancing the needs of development with the needs and characteristics of local areas and communities;*
- c. resist development that fails to adequately assess and address transport impacts affecting communities, occupiers, neighbours and the existing transport network; and*
- d. require mitigation measures where necessary.*

The factors we will consider include:

- e. visual privacy, outlook;*
- f. sunlight, daylight and overshadowing;*
- g. artificial lighting levels;*
- h. transport impacts, including the use of Transport Assessments, Travel Plans and Delivery and Servicing Management Plans;*
- i. impacts of the construction phase, including the use of Construction Management Plans;*
- j. noise and vibration levels;*
- k. odour, fumes and dust;*
- l. microclimate;*
- m. contaminated land; and*
- n. impact upon water and wastewater infrastructure.”*

- 5.19. **Policy D2** seeks to protect Conservation Areas and Listed Building within the borough through not permitting development that will result in a “...loss of or substantial harm to a designated heritage asset, including conservation areas and Listed Buildings, unless it can be demonstrated that the substantial harm or loss is necessary...”. **Policy D2** also pursues to prevent the removal or

alteration of existing buildings within the conservation area, even if they are not listed, as this may cause harm to the conservation area.

Fitzrovia Area Action Plan

- 5.20. The Fitzrovia Area Action Plan (AAP) was adopted by the Council in March 2014. The purpose of the AAP is to help to shape the future of Fitzrovia and the western part of Bloomsbury by developing a vision for the area, ensuring that growth takes place in a balanced way, coordinating development proposals across several significant sites and ensuring that growth delivers the maximum benefits to the area. The policy of most relevance to the proposed development is **Principle 4** which states as follows:

“The Council will support small and medium enterprises (SMEs) by seeking to ensure that where appropriate:

- *existing business premises suitable for SME use are retained;*
- *new business development is designed flexibly to allow parts of the property to be occupied by SMEs.”*

- 5.21. Supporting text to the policy (Para 1, p4) states that *“The Council will particularly seek to maintain a supply of premises that can provide lettings of less than 100 sq m.”*

Material Consideration

- 5.22. Material considerations include the National Planning Policy Framework and relevant supplementary planning documents.

National Planning Policy Framework (The Framework)

- 5.23. The Framework, published in February 2019, states that the purpose of the planning system is to contribute to the achievement of sustainable development by performing an economic role, social role and environmental role. Critically, the Framework requires these roles to be delivered in mutually supportive ways to secure net gains across each of the different objectives.
- 5.24. The Framework places a presumption in favour of sustainable development at the centre of the planning system. It clarifies that the presumption in favour means proposals that accord with the development plan should be approved without delay, or where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, proposals should be permitted, unless *“the application of policies in this Framework that*

protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or any adverse impacts of doing so would significantly and demonstrably outweigh the benefits...” (Paragraph 11).

5.25. **Paragraph 38** states that *“Local planning authorities should approach decisions on proposed development in a positive and creative way. They should use the full range of planning tools available, including brownfield registers and permission in principle, and work proactively with applicants to secure developments that will improve the economic, social and environmental conditions of the area. Decision-makers at every level should seek to approve applications for sustainable development where possible.”*

5.26. **Paragraph 80** explains that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. The same paragraph goes on to states that *“Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development...”* (underlined text – our emphasis)

5.27. Under theme 6 *Building a strong, competitive economy*, **Paragraph 81** identifies four matters that should be addressed in planning policies. The matters most relevant to the proposed development are as follows:

“a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;”

“d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.”

5.28. **Paragraph 104** suggests that planning policies should support an appropriate mix of uses to minimise the number and length of journeys. **Paragraph 118** suggests that planning policies and decisions should encourage mixed use schemes to encourage multiple benefits from urban land.

Camden Planning Guidance – Employment sites and business premises (Supplementary Planning Document)

5.29. This document supports Camden Local Plan policies E1 Economic development and E2 Employment premises and sites. The document also provides guidance on the circumstances when the Council will consider alternative uses for an employment site. Furthermore, it provides information on marketing requirements, some of the designated centres, the affordability of workspaces and planning obligations.

- 5.30. Of particular relevance to the proposed development is **Para 13** which relates to offices. It states “Camden’s Local Plan sets out the projected demand and planned supply of office floorspace (use class B1a) in the borough. The Council will expect the supply of offices to meet the projected demand over the plan period but acknowledge that a substantial proportion of the projected supply is likely to consist of larger floorplate, corporate office space in the Kings Cross and Euston areas which are generally out of reach of micro, small and medium-sized enterprises (SMEs). We will support the retention and/or re-provision of employment space in other parts of the borough, particularly where this consists of space that is suitable and affordable for micro and small businesses and particularly where this space is suitable for our growth and other importance sectors and business clusters.” (underlined text – our emphasis)

6. Design and Access Considerations

Use

- 6.1. The proposed development is a change of use of the 1st Floor, 53-54 Tottenham Court Road, Fitzrovia, from a vacant commercial unit that has been marketed as a residential flat to an office (B1 Use) premises.
- 6.2. No external alterations are proposed to the building.

Amount

- 6.3. The extent of the proposed development is limited to using the existing footprint of the property, namely: 121 m² (1300 ft²).

Layout

- 6.4. The internal layout of the property will be unaltered. The new office use will also continue to use the existing side entrance of the building that currently provides access to the upper floors of the building.

Scale

- 6.5. The scale of the building will be unaltered because no extensions or outward additions are proposed.

Landscaping

- 6.6. No landscaping is proposed because the proposed development relates only to how the property is used.

Appearance

- 6.7. The existing facades of the building and its roof will be unaltered such that there will be no changes to the appearance of the property.

Access

- 6.8. The existing side entrance to the property located off the courtyard will continue to serve as the pedestrian access into the premises and will not be altered or widened.

- 6.9. With regards to the property's accessibility to the highway network, public transport and cycle linkages, the site benefits from a short walking distance to both Goodge Street and Tottenham Court Road tube stations alongside numerous bus routes and cycle lanes in proximity.

7. Planning Justification

- 7.1. This section of the statement sets out the justification for the proposed change of use when considered against the relevant planning policies and other material considerations.
- 7.2. The key issues arising from this proposal are as follows:
- a) Principle of development;
 - b) Impact on the character, function, vitality and viability of the Central London Frontage;
 - c) Amenity; and,
 - d) Heritage Impact Assessment.
- 7.3. Each of these issues is now discussed in turn.

Principle of Development

- 7.4. The application site has been vacant for close to six years and was last used as informal employment / business floor space. Despite the existence of a kitchen in the former communications room and a toilet where the staircase linking it to the ground floor shop formerly existed, and it having previously been marketed as a residential flat, it has never actually been used in this way. It therefore makes no social contribution nor provides any economic value to Tottenham Court Road, which is both a designated Growth Area and Central London Frontage. The proposed development would change this by bringing an unused property, which was historically used as an office, back into use for office purposes. The principle of the development is supported by the adopted Development Plan, specifically Policy G1, which seeks to direct the most significant growth and concentrate development within Growth Areas and promote the most efficient use of buildings. Similarly, Policy E1 which provides the strategic policy for delivering economic development across the Borough seeks to direct new office development to the Growth Areas, amongst other things. Additionally, Policy TC1 supports significant provision of town centre uses (which includes B1 office use) at Central London Frontages, such as the application site.
- 7.5. It is contended that the size of the application site is likely to be attractive to small and medium enterprises (SMEs). These types of businesses are supported by Principle 4 of the Fitzrovia Area Action Plan (AAP). Further in-principle support for the proposed development is provided by the *Employment sites and business premises* SPD which is supportive, amongst other things, of the 're-provision' of employment floorspace especially if it is suitable for SMEs and micro businesses because the Borough is mainly made up of small or start-up businesses that require small office

spaces. The proposed development merely seeks to revert a use into the application site which historically occurred at the property.

- 7.6. In addition to being potentially attractive to SMEs and providing floorspace for office jobs, other benefits of the proposed development are that it will make a small, but nevertheless important, contribution to the 695,000sqm office floorspace target within the Borough, which is set by Policy G1.
- 7.7. Given there is an Article 4 Direction which removes permitted development rights that allow B1 offices to be changed to C3 residential dwellings, subject to prior approval, the Council recognises that such offices make a significant contribution to economic growth, there is a shortage of office space available within the Borough and it is therefore difficult for start-up, micro businesses and SMEs to locate themselves in the Borough. Accordingly, the Article 4 Direction protects existing B1 office floorspace. It therefore follows that the Council must look favourably at proposals that seek to create new B1 office floorspace, particularly cases which involve properties that have historically been used for office purposes, and that are small-scale, both of which apply to the proposed development which is the subject of this current planning application.
- 7.8. National planning policy, as reflected in the Framework, is extremely supportive of proposals that facilitate economic growth and productivity and initiatives that help to contribute to a strong and competitive economy so much, so it places significant weight on proposals that support economic growth and productivity.
- 7.9. Given the application site has previously been marketed as a residential flat, it could be perceived that the proposed development will result in the loss of residential floorspace however, it is contended that even if Planning Officers are of this opinion, this does not mean the principle of the development is unacceptable. It has been demonstrated above how the principle of the development is in accordance with several Development Plan policies and material considerations. In any case, it is suggested that the application site is more suitable for office use (than a residential flat) because of its location immediately above an A5 takeaway and due to the absence of external amenity space. It is also suggested that the benefits of providing jobs and potentially accommodating an SME, start-up or micro business in a location where such businesses are encouraged will be greater than providing a two-bedroom apartment.
- 7.10. Overall it is considered that the principle of the proposed development in this location is entirely acceptable.

Impact on the Character, Function, Vitality and Viability of the Central London Frontage

- 7.11. Policy TC4 identifies criteria that planning applications for town centre uses will be judged against. An assessment against the most relevant criteria is therefore provided below.
- 7.12. There will be no harm caused to the shopping provision within the Tottenham Court Road Central London Frontage (CLF) because retail uses only occur at present on the ground floor of the building. The application site is no longer used ancillary to the ground floor premises, such as for retail storage or welfare space for staff. The first floor is an entirely separate planning unit. The proposed development will not generate any changes to the retail frontage nor will the first floor be accessed from the principal façade facing Tottenham Court Road. Accordingly, there will be no harm to the character of the CLF.
- 7.13. By being limited to the first floor only, there will be no change to the balance and mix of uses within the frontage.
- 7.14. The Council could consider there will be to be a small reduction in the amount of residential floorspace in the building (in light of the old property particulars marketing the unit as a flat), however it is significant that the provision of additional residential accommodation is not an individual planning objective for Tottenham Court Road within the *Camden Planning Guidance on town centres and retail SPD*.
- 7.15. There will be no significant harm caused to the amenity of the residential properties on the upper floors because it is likely that any occupier of the application site would operate between the hours of 9:00am and 5:00pm on weekdays only. Such hours are compatible with adjoining residential properties. In truth, it is considered that introducing an office use between the takeaway on the ground floor and the residential properties above would result in a betterment because any disruption and noise caused by service deliveries to the takeaway and other associated activities, which might cause disturbance would be located further away from the residential properties. An office unit on the first floor would act as a noise buffer.
- 7.16. It should also be noted that there will be no material harm to users of the footpath in front of the building because B1 offices generally only generate a limited number of service deliveries for supplies and stock as well as minimal waste.
- 7.17. Other relevant considerations are that the proposed change of use will accommodate several office workers once it is occupied. By making use of the vacant property, the proposed change of use will add footfall in the daytime to this part of Tottenham Court Road which is likely to result in additional activity and trade within eating establishments, coffee shops and other retail outlets, particularly at lunch times. This will therefore contribute to enhancing the vitality and viability of this part of the Tottenham Court Road Central London Frontage.

- 7.18. It is for the above reasons why the proposed development is considered to be in accordance with Policy TC4.
- 7.19. As there will be no loss of retail floorspace in a Protected Primary Frontage the retail function of the Tottenham Court Road CLF will be maintained which is entirely in accordance with Policy TC2.

Amenity

- 7.20. No extension, outward addition or any other exterior alterations are proposed to the property because the application relates solely to the use of the first floor of the building. It will therefore have no overbearing visual impacts on nearby residential properties nor overshadowing on any amenity space or on the public realm below. Furthermore, the absence of new external windows will also result in no harm from overlooking. In fact, it is of significance that the remaining residential floorspace (apartments) in the building are above the proposed office space on the second and third floors.
- 7.21. It is also considered that the proposed office use will represent a planning benefit to the area due to there being no disturbance to neighbouring properties in the evenings or cause prejudice to other users within the building.
- 7.22. On this basis, the proposed development proposal is considered to be in accordance with Policy A1.

Heritage Impact Assessment

- 7.23. Whilst the property is located within the designated Charlotte Street Conservation Area, the absence of material changes and alterations to the exterior of the building will have no impacts on the character and appearance of the Conservation Area. For the avoidance of doubt, the appearance of the building will be unaltered such that it will continue to be in keeping with the vernacular of the area.
- 7.24. The proposed development will therefore be in accordance with Policy D2.

8. The Planning Balance

- 8.1. The Framework confirms the presumption in favour of sustainable development and confirms that social, economic and environmental issues must be balanced and integrated, at the same time, by the decision-taker when determining planning applications.
- 8.2. Decisions should be assessed against the Development Plan unless material considerations suggest otherwise. Therefore, development not in accordance with a Development Plan can still be acceptable.
- 8.3. The task for the decision maker, is to weigh the level of conformity with the Development Plan together with other material considerations.
- 8.4. In this case, the proposed development is supported by Policy G1, which seeks to direct the most significant growth and concentrate development within Growth Areas, such as Tottenham Court Road, and promote the most efficient use of buildings. Additionally, Policy E1 provides the strategic policy for delivering economic development across the Borough and seeks to direct new office development to Growth Areas, amongst other things. Furthermore, Policy TC1 supports significant provision of town centre uses (which includes B1 office use) at Central London Frontages, such as Tottenham Court Road. The proposed development will also make a small, but important, contribution to the office floorspace target within the Borough, which is set by Policy G1. The principle of the development is also supported by a number of material considerations including the Fitzrovia Area Action Plan, the Employment sites and business premises SPD, and the national planning policy framework (The Framework).
- 8.5. In the light of the Article 4 Direction which removes PD rights that allow B1 offices to be changed to C3 residential dwellings, subject to prior approval, we contend that the Council must look favourably at proposals that seek to create new B1 office floorspace. This particularly applies in cases which involve properties that have historically been used for office purposes, and that are small-scale (so could be attractive to small and medium enterprises (SMEs), both of which apply to the proposed development.
- 8.6. The Framework's presumption in favour of sustainable development, the significant benefits associated with the proposed development and the general conformity with the Development Plan far outweigh perceived conflict with Policy H3 that seeks to protect all housing floorspace. Significantly, we now know the application site has never actually been used as a residential flat and accordingly, there will be no loss of residential floorspace.

8.7. On this basis, the planning balance falls firmly in favour of approved the proposed development.

9. Conclusion

- 9.1. The proposed development comprises the change of use of the 1st Floor of 53-54 Tottenham Court Road from a vacant commercial unit that has been marketed as a residential flat to an office (B1 Use).
- 9.2. The information provided within this application demonstrates that the proposed development is in generally conformity with the Development Plan. It also demonstrates that the proposed development is supported by several material considerations.
- 9.3. It is therefore respectfully suggested that full planning permission should be granted for the proposed development.

Appendices

Appendix 1 – Case Officer Correspondence Email November 2018

Appendix 2 – Valuation Report April 2012

Appendix 3 – Valuation Report August 2008

Appendix 4 – Valuation Report September 2003

Appendix 5 – Business Rates Notice of Alteration 2003



Appendix 1 – Case Officer Correspondence Email November 2018



Owen Pike

From: Owen Pike
Sent: 15 February 2019 09:28
To: Henry, Kate
Cc: Barnaby Harris
Subject: RE: RE: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Dear Kate,

I hereby confirm that the applicant wishes to withdraw the planning application.

Kind regards,

Owen

Owen Pike BA (Hons) PG Dip MRTPI
Associate Partner
Planning

For and on behalf of Sanderson Weatherall LLP

Mobile: **07889 701547**
Direct: **0117 338 1813**
Office: **0117 338 1800**

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From: Owen Pike
Sent: 07 February 2019 16:51
To: Henry, Kate <Kate.Henry@camden.gov.uk>
Cc: Barnaby Harris <Barnaby.Harris@sw.co.uk>
Subject: [Pending]RE: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Hi Kate,

I apologise for not responding to your email sooner.

I am on annual leave tomorrow but am due to speak to my client on Monday. I therefore suggest an additional Extension of Time until 15 February 2019 to enable us to decide how we want to proceed.

I will consider this is accepted by the Council unless I hear otherwise.

Kind regards,

Owen

Owen Pike BA (Hons) PG Dip MRTPI
Associate Partner
Planning

For and on behalf of Sanderson Weatherall LLP

Mobile: **07889 701547**
Direct: **0117 338 1813**
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From: Henry, Kate <Kate.Henry@camden.gov.uk>
Sent: 29 January 2019 20:46
To: Owen Pike <Owen.Pike@sw.co.uk>
Subject: RE: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road [Filed 07 Feb 2019 16:47]

Hi Owen,

Thanks for your email. The information from the administrator does further suggest that there was no residential use between the dates in question, although it's still not clear what happened between 2013 and the present day? E.g. was the first floor used as an office after the administrator left and the staircase was moved?

If you are satisfied that an office use would not be a breach of planning control then you can withdraw the current application. However, if you want a formal decision from the Council on the lawful use you would need to submit a lawful development certificate as discussed.

Please let me know how you'd like to proceed.

Thanks,

Kate

Kate Henry
Senior Planner
(Tue, Wed, Thu, Fri)

Telephone: 020 7974 3794



From: Owen Pike <Owen.Pike@sw.co.uk>
Sent: 25 January 2019 14:49
To: Henry, Kate <Kate.Henry@camden.gov.uk>
Cc: Barnaby Harris <Barnaby.Harris@sw.co.uk>; Robert Few <Robert.Few@sw.co.uk>
Subject: RE: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Hi Kate,

Further to our last correspondence, I thought I should let you know that I have subsequently been contacted by the Administrator of the former retailer which occupied the application site (and the ground floor of the building) before it went into liquidation.

1. Administrator Information 2012-2013 - He was appointed as Administrator of the company in July 2012 and the premises consisted of three floors, namely: the basement which was used for storage and workshop area; the ground floor which was a retail shop; and, the first floor i.e. the application site which was an office with a board room. He also confirmed that the offices were occupied by about 15 to 20 staff who dealt with the finance and the HR functions of the company. Furthermore he confirmed that the majority of these people continued their employment with the company throughout the administration period. During that period, the entrance to the office on the first floor was a staircase from the shop on the ground floor.

The Administrator vacated the premises in 2013 at which time the entrance to the first floor office was changed to the side door in an alley off Tottenham Court Road (the current access) and the ground floor was rented out to a take away food chain.

This explanation from the Administrator ties in with the 3 Valuation Reports previously submitted to yourself in that the application site was in a non-residential use in September 2003, August 2008 and April 2012.

The landlord has also provided me with a Business Rates Notice of Alteration (attached).

2. Business Rates Notice of Alteration 2003 – This shows the rates payable for the application site on 8 July 2003.
3. Valuation Reports in 2003, 2008 & 2012 - Equally, the 3 Valuation Reports do not demonstrate a residential use on any of these dates.
4. Approved Plans in 1999 – The existing and proposed plans approved under planning permission reference PS9804485R4 on 10 February 1999 show the first floor in office use.

Similar to your previous conclusions, I have actually not got any evidence that the application site formally reverted back to residential use between 1982 and 1999, or between 1999 and the present day. Therefore, if we were to potentially withdraw the planning application, I am no longer convinced an office use would be in breach of planning control.

I would be grateful for your thoughts.

Kind regards,

Owen

Owen Pike BA (Hons) PG Dip MRTPI
Associate Partner
Planning

For and on behalf of Sanderson Weatherall LLP

Mobile: **07889 701547**
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From: Henry, Kate <Kate.Henry@camden.gov.uk>
Sent: 16 January 2019 18:43
To: Owen Pike <Owen.Pike@sw.co.uk>
Subject: RE: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road [Filed 14 Jan 2019 13:27]

Hi Owen,

Yes, that's fine. I'll wait to hear from you.

Kind regards

Kate Henry
Senior Planner
(Tue, Wed, Thu, Fri)

Telephone: 020 7974 3794



From: Owen Pike <Owen.Pike@sw.co.uk>
Sent: 16 January 2019 18:05

To: Henry, Kate <Kate.Henry@camden.gov.uk>

Subject: RE: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road [Filed 14 Jan 2019 13:27]

Hi Kate,

Further to my previous email, I suggest an Extension of Time until 1 February 2019 to allow me to speak to the applicant after he returns from holiday, and then agree a way forward.

I will consider this is accepted by the Council unless I hear otherwise.

Kind regards,

Owen

Owen Pike BA (Hons) PG Dip MRTPI

Associate Partner

Planning

For and on behalf of Sanderson Weatherall LLP

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Direct: **0117 338 1813**

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From: Owen Pike

Sent: 14 January 2019 13:27

To: Henry, Kate <Kate.Henry@camden.gov.uk>

Subject: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road [Filed 14 Jan 2019 13:27]

Hi Kate,

Thank you for the email; I haven't been able to speak to my client as he is currently away. But I will confirm things in due course.

Kind regards,

Owen

Owen Pike BA (Hons) PG Dip MRTPI

Associate Partner

Planning

For and on behalf of Sanderson Weatherall LLP

Mobile: **07889 701547**

Direct: **0117 338 1813**

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From: Henry, Kate <Kate.Henry@camden.gov.uk>

Sent: 11 January 2019 10:46

To: Owen Pike <Owen.Pike@sw.co.uk>

Subject: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Dear Owen,

Thank you for your email. I am afraid it is difficult to say, especially now that I have seen the valuation reports in your earlier email which, as you noted, do not demonstrate an office use for at least 10 years on a continual basis to the present day.

This may not help, however, if you are happy to agree to extend the deadline for determination accordingly, I would be happy for you to submit the LDC application alongside the planning application and await its determination.

Kind regards

Kate Henry
Senior Planner
(Tue, Wed, Thu, Fri)

Telephone: 020 7974 3794



From: Owen Pike <Owen.Pike@sw.co.uk>
Sent: 10 January 2019 11:34
To: Henry, Kate <Kate.Henry@camden.gov.uk>
Cc: Barnaby Harris <Barnaby.Harris@sw.co.uk>
Subject: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Hi Kate,

Thank you for the response.

Have you got any views on what chance you think there is of us obtaining a Certificate of Lawfulness for an office use?

I need to speak to the applicant before I can confirm the way forward. I'll come back to you shortly.

Kind regards,

Owen

Owen Pike BA (Hons) PG Dip MRTPI
Associate Partner
Planning

For and on behalf of Sanderson Weatherall LLP

Mobile: **07889 701547**
Direct: **0117 338 1813**
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From: Henry, Kate <Kate.Henry@camden.gov.uk>
Sent: 09 January 2019 11:49
To: Owen Pike <Owen.Pike@sw.co.uk>
Subject: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Hi Owen,

Thank you for your email and thank you for looking into this matter further. Whilst I appreciate the points you have raised in your email, I am afraid that we cannot support an application for the loss of residential

floorspace especially when the premises would not require too much alteration to be used as a flat again and would provide a good standard of residential amenity. I do appreciate the points you have made earlier about the need for office space in central London, but equally, self-contained housing remains the priority land use of the Local Plan which has only recently been adopted.

Would you like me to refuse the application to give you the opportunity to appeal the decision, or would you like to withdraw the application?

I look forward to hearing from you.

Kind regards

Kate Henry
Senior Planner
(Tue, Wed, Thu, Fri)

Telephone: 020 7974 3794



From: Owen Pike <Owen.Pike@sw.co.uk>
Sent: 03 January 2019 17:42
To: Henry, Kate <Kate.Henry@camden.gov.uk>
Subject: FW: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Hi Kate,

I appreciate you corresponding with us on this matter.

Summary

I consider the only way anyone can lawfully use the application site is if planning permission is obtained, due to the limited historic information, conflicting evidence and breakages in use.

Evidence of Former Use

Nonetheless, I have spoken to the applicant again, as requested in your last email and asked him to provide evidence of the application site's former use. The only historic records the applicant has been able to obtain are 3 former valuation reports, all of which are attached to this email and discussed below.

- The September 2003 Valuation Report (p3) identifies the application site as a "First Floor Sales Area";
- The August 2008 Valuation Report (Paras 2.14, 9.3, 12.5, 12.14, 12.24 and Section 3) identifies the application site as "First Floor Ancillary" or "Ancillary Space to the Ground Floor Shop"; and,
- The April 2012 Valuation Report (p4) identifies the application site as "First Floor, Offices and Computer Room".

All of these reports would suggest the application site were in a non-residential use in September 2003, August 2008 and April 2012; they do not demonstrate an office use for at least 10 years on a continual basis to the present day.

Difficulty in Establishing Lawful Use

In the light of our previous correspondence, I hope you can appreciate it has never been straightforward to establish the lawful use of the application site, and this continues to be a difficult exercise. It has also not been helped by the fact that the former retailer (which occupied the ground floor and ancillary first floor space i.e. the application site) went into liquidation and consequently, most of its records were not retained by the applicant. Therefore, we would have submitted a Certificate of Lawfulness application instead of a planning application for a change of use if the

applicant had compelling evidence, or they were able to collate compelling evidence to demonstrate, that the application site has been used previously as a B1a office for at least 10 years and on a continual basis to the present day. Unfortunately, I am of the opinion that we are not able to collate 'compelling' evidence and this is necessary because such applications are, as you know, determined on the 'balance of probabilities', rather than whether the development is in accordance with the Development Plan and any material considerations. On this basis, I advised the applicant that the prospects of obtaining a Lawful Development Certificate were unlikely. Rather than spend money and time preparing this, I advised the applicant it would be better to pursue a planning application.

I note your email to myself on 14 November 2018 also acknowledged the difficulty of establishing the property's lawful use. This email confirmed, amongst other things, that you "can't see any evidence of the first floor of No.54 going back to residential use between 1982 and 1999, or between 1999 and the present day, although our Council Tax department have confirmed that they believe the first floor to be residential for Council Tax purposes." The former might suggest the application site's lawful use is an office whereas the latter would suggest the application site's lawful use is residential.

Planning Application

In the light of the information within this email and the supporting case (see Planning, Design & Access Statement and 2 supplementary emails – both of which are attached) I would be very grateful if you could reconsider the application and your recommendation.

Please can you contact me once you have done this.

Kind regards,

Owen

Owen Pike BA (Hons) PG Dip MRTPI
Associate Partner
Planning

For and on behalf of Sanderson Weatherall LLP

Mobile: **07889 701547**
Direct: **0117 338 1813**
Office: **0117 338 1800**

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From: Henry, Kate [<mailto:Kate.Henry@camden.gov.uk>]
Sent: 18 December 2018 14:21
To: Nicholas J A. Hastings <nick.hastings@sw.co.uk>
Subject: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Dear Nick,

I have today spoken with my mentor, who is also one of the managers. I'm afraid that she agrees with me that we can't support an application for a loss of residential floorspace which is contrary to policy, particularly because the premises would not require too much alteration to be used as a flat (e.g. installation of a bathroom and kitchen) and it would provide a good standard of residential amenity. Furthermore, despite the policies you have outlined, self-contained housing remains the priority land use of the Local Plan, as outlined by Policy H1; and Policy H3 notes that, exceptionally, the Council may support development that involves a limited loss of residential floorspace where this provides for the expansion of existing health premises to meet local needs; however, it does not list any other acceptable alternative uses.

In line with the above, I will be looking to refuse the application when I am back in the new year. As I've noted, the other option is to provide more evidence to us to suggest that the premises has been used as an office for in excess of 10 years and submit a lawful development certificate.

I am away now until 8th January so please let me know in the new year how you would like to proceed.

Kind regards

Kate Henry
Senior Planner
(Mon, Tue, Wed, Fri)

Telephone: 020 7974 3794



From: Nicholas J A. Hastings <nick.hastings@sw.co.uk>
Sent: 07 December 2018 16:52
To: Henry, Kate <Kate.Henry@camden.gov.uk>
Subject: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Dear Kate,

Thank you for your response to my previous email. We appreciate the fact you are willing to discuss this with your colleagues and team leader. I look forward to hearing from you once you have spoken to the others and to get a better understanding of the potential decision, especially as most developments do not comply with every policy.

Kind Regards,

Nick Hastings
Graduate Planner
Planning

For and on behalf of Sanderson Weatherall LLP

Direct: **0117 338 1811**

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From: Henry, Kate [<mailto:Kate.Henry@camden.gov.uk>]
Sent: 07 December 2018 16:26
To: Nicholas J A. Hastings <nick.hastings@sw.co.uk>
Subject: RE: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Dear Nicholas,

Thank you for your email, and apologies for the delay in responding. I appreciate your points about the provision of office space; however, ultimately, the proposal is contrary to policy insofar as it involves the loss of residential floor space and housing is the priority land use of the new Local Plan which was only relatively recently adopted. I also appreciate the point you are making about the works involved to provide residential accommodation at the site. I will speak again to the policy team and my team leader and come back to you next week.

Kind regards

Kate Henry
Senior Planner
(Mon, Tue, Wed, Fri)

Telephone: 020 7974 3794



From: Nicholas J A. Hastings <nick.hastings@sw.co.uk>
Sent: 30 November 2018 09:13
To: Henry, Kate <Kate.Henry@camden.gov.uk>
Cc: Owen Pike <Owen.Pike@sw.co.uk>
Subject: FW: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Dear Kate,

Thank you for providing information on the property's planning history and for your observations and comments.

We have not submitted an application for a Certificate of Lawfulness because at present, we have only limited evidence. This is why advised the applicant to lodge a planning application in the first place.

The Planning Balance

I reiterate that we acknowledge the planning application is contrary to Policy H3. But do you acknowledge that the proposed development is supported by Policy G1, Policy E1, Policy TC1, the Fitzrovia AAP, the Employment Sites and Business Premises SPD, and the objectives behind the Article 4 Direction?

Criterion e) of Policy G1 states Tottenham Court Road is 1 of 5 locations where growth will be targeted. Accordingly, I cannot understand is how an ideal site in a location outlined for growth could not be seen to be appropriate for a change of use to an office. There is a desperate need for SME suitable office space within the borough, of which the application site will be able to contribute towards and due to the council having only 5 areas as their focus for growth, we would have thought more weight would be given towards this against a borough wide standard policy to protect residential space. Please could you clarify to what extent this designation as an area for growth has been considered in the consideration of the application?

Furthermore, the opening sentence to the introduction as to why the Article 4 Direction was introduced states; "Camden Council is using its planning powers to protect offices and jobs in the borough" but when an application is put forward to not only protect jobs by introducing an employment site, but actually introduce further office space and jobs, then this is not taken on board by the council. The reason as to why the Article 4 Direction was introduced was due to the large net loss of office floor space to residential under Permitted Development Rights that the borough was facing. However, if an application to introduce office space, from residential, is not supported purely for the single policy of protecting residential space, does this not go against the objectives and concerns of the Council as to why the Article 4 Direction was introduced?

It is disappointing to read that the whole balance of the application is not being considered when there is sufficient evidence to provide reasoning as to why the application should be supported.

Additionally, as it currently stands, the property is not suitable for habitation as a residential unit due to the lack of bathroom and sufficient living space, as you would have seen from your site visit. However, the property is suitable for an office use with immediate effect, if the application were to be approved with only minor work and fitting out. Furthermore, the installation of a bathroom itself would require quite extensive works to the building and could create a large disturbance to the office users and residents of the same building and neighbouring properties. Not only would there be the need for significant plumbing work needed but the whole floor plan and arrangement of the property, with the possibility of knock on effects to the surrounding units, would need to be overhauled in order to provide not only a bathroom, but further suitable living space for residential use. Therefore, if the application were to be refused, it would render the space unusable for residential use unless if costly and disturbing works were carried out. This would also mean no growth could be experienced for quite some time until work was done and tenants found.

I hope you take my comments on board in consideration of the application and I am happy to discuss these with you.

I look forward to hearing from you,

Kind Regards,

Nicholas J A. Hastings
Graduate Planner
Planning

For and on behalf of Sanderson Weatherall LLP

Direct: **0117 338 1811**

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From: Henry, Kate <Kate.Henry@camden.gov.uk>
Sent: 14 November 2018 12:49
To: Owen Pike <Owen.Pike@sw.co.uk>
Subject: 2018/4674/P - 1st Floor, 53-54 Tottenham Court Road

Dear Owen,

Re: 2018/4674/P - Flat 1st floor, 53-54 Tottenham Court Road, London, W1T 2EJ – Change of use of first floor from residential (2-bed self-contained flat) (Class C3) to office use (Class B1a)

Thank you for arranging my access to the site last week. I was surprised to see that the space is already laid out as an office and looks to have been that way for a while. I discussed with the estate agent who met me whether it would be worthwhile submitting a lawful development certificate rather than a planning application and I've had a look at the planning history and found the following of relevance:

Planning History

PS9804485R4 - 53-54 Tottenham Court Road - The general refurbishment of the building together with the creation of one additional residential flat (making three flats in total); the construction of a four storey plus basement infill extension facing Kirkman Place for part retail, part residential use; and a two storey rear extension, over the existing ground floor extension to the property, for residential use – **Granted subject to s106 10/02/1999 – the existing and proposed plans appear to show that first floor in office use**

33745 - [54 Tottenham Court Road](#) - Continued use of the first floor as offices. – **Refused 27/07/1982**

Reasons for refusal:

1. The continued use as offices involves the loss of residential accommodation contrary to the policy of safeguarding the accommodation as expressed in the Greater London Development Plan and in the District Plan.
2. The continued use as offices involves an increase in office accommodation contrary to the Council's policy to restrain the growth of such space as expressed in the District Plan.

33248 –The use of the first floor **no. 53 Tottenham Court Road** as an office. – **Certificate granted 01/02/1982 – the decision notice refers only to No. 53 despite the fact the application form refers to “1st floor 54 Tottenham Court Road, 1st, 2nd, 3rd floors 53 Tottenham Court Road”**

To me, it appears that in 1982 a certificate of lawfulness was granted for the 1st floor at No. 53 to be used as offices but not the 1st floor at No. 54, and then a subsequent planning application for the change of use at No. 54 was refused. (I don't know when Nos. 53 and 54 were laterally opened up to form one space at first floor?). Then, later, in 1999 a number of applications were submitted to extend the building and create an additional flat. The existing and proposed plans show the first floor of Nos. 53 and 54 as offices.

I can't see any evidence of the first floor of No. 54 going back to residential use between 1982 and 1999, or between 1999 and the present day, although our Council Tax department have confirmed that they believe the first floor to be residential for Council Tax purposes.

In my mind, if you can provide any more evidence to suggest that the first floor has been used as offices for at least 10 years, then it might be worth submitting a certificate of lawfulness, especially given that I don't think I can recommend approval of the planning application.

Would you like to discuss this with your client and then contact me to let me know how you'd like to proceed? I look forward to hearing from you.

Kind regards

Kate Henry
Senior Planning Officer
Regeneration and Planning
London Borough of Camden
(Mon, Tue, Wed, Fri)

Telephone: 020 7974 3794

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Appendix 2 – Valuation Report April 2012



PETER GALAN + COMPANY • PROPERTY CONSULTANTS
5 HENSTRIDGE PLACE • ST JOHN'S WOOD • LONDON • NW8 6QD
TEL: 020 7722 2205 ~~FAX: 020 7722 0882~~ E-Mail pgco@dial.pipex.com

The Trustees of The Micro Anvika Retirement Trusts 1, 2 & 3
53-54 Tottenham Court Road
LONDON
W1T 2EJ

2nd April 2012

Dear Sirs

53-54 Tottenham Court Road LONDON W1

In accordance with instructions received from Mrs. Arti Patel by email dated 16 March 2012, we have been asked to provide a valuation of the above retail, office and residential property.

We have made all necessary enquiries in accordance with your instructions, with a view to advising you of our opinion of the *Market Value* of the Freehold Interest of the property as a whole subject to the existing long Leasehold Interest as described below, the value of the 999 year lease held by The Micro Anvika Limited Executive Pension Trust, and the separate value for the first floor and residential accommodation again owned by the Retirement Trusts.

We understand that this opinion is required by The Trustees of Micro Anvika for their own internal purposes.

Although we are familiar with the property, we have reinspected only the basement, ground and first floors, but not reinspected the first to third floor flats, as we understand from you that they have not changed in any way structurally since we last inspected them.

53-54 TCR valuation April 2012

Page 1

PRINCIPAL: PETER GALAN, FRICS

VALUATION BASIS

The interest has been valued in accordance with *The RICS Valuation Standards-Global and UK, 7th edition, (known in the industry as the Red Book)* first published in April 2011 and becoming effective from 2nd May 2011. The completely new Red Book is the outcome of a project to revise the existing manual, which had become unwieldy and did not distinguish between global and UK applications. Although they have been updated and expressed in a different way, the majority of the Standards in the old manual have not changed.

We should mention, however, that the next edition of the 'Red Book', the 8th edition, is shortly to be published with a title change to *RICS Valuation – Professional Standards, 2012 edition* and will become effective from 30 March 2012. At the time of writing this report, it is not yet published.

In this latest edition of the Red Book, none of the underlying principles have been changed but it is understood that it will include the whole of the International Valuation Standards (IVS) that came into effect on 1 January 2012.

The Valuation method employed in this valuation, particularly incorporates the recommendations stated in Practice Statement VS 3.2, which states for 'Market Value' (MV)

'The Estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.'

DISPOSAL COSTS AND LIABILITIES

Market Value is understood as the Value of a property estimated without regard to costs of sale or purchase, and without offset for and associated taxes.

LOCATION AND COMMENTARY

The building is located on the west side of Tottenham Court Road in the block between the junctions with Windmill Street to the South and Goodge Street to the North, with a side elevation fronting onto Kirkman Place. Oxford Street, Warren Street, Goodge Street and Tottenham Court Road, London Underground stations, are within close proximity to the building providing access to Central,

Victoria, Bakerloo and Northern Line services. The planned introduction of Cross Rail, where construction works are well advanced at the junction of Tottenham Court Road and Oxford Street, means this area will be unrivalled in the provision of Central London transport links.

The area is proliferated with arts, marketing and media businesses amongst others who enjoy the benefit of national and niche retailers such as M & S, Sainsbury Local, Paperchase and Heals; the Charlotte Street and Sanderson "boutique" hotels and the buzz of a vibrant local business community, which includes many bars and restaurants.

It is however a fact that the electronics and computer-based retail trade which has predominated the surrounding thoroughfares in the area over many years, has suffered a sad decline over recent years with the result that there are many empty shops, particularly along Tottenham Court Road itself. New developments such as that by The City Corporation at 227-233 Tottenham Court Road on the corner of Store Street, have taken many years to find tenants, such as Metrobank, O2 and Waitrose, each of whom we understand were given very advantageous entry terms. As a consequence of this downturn, landlords are reluctant to divulge the actual terms of lettings achieved, and have cautioned their tenants with confidentiality agreements.

THE BUILDING

The building is constructed on basement, ground and three upper floors, and although we have reinspected the basement ground and first floor commercial space, we have not remeasured, but have relied upon our previously measured and reported areas as follows:-

	m/ m²	ft/ ft²
Gross Window Frontage	10.8m	35.43 ft
Net Window Frontage	9.54m	31.3 ft
Shop Internal Width	10.12m	33.2 ft
Shop Depth (maximum)	16.54m	54.3 ft
Ground Floor Sales Area		
Zone A	60.29 m ²	649 ft ²
Zone B	57.36 m ²	617.4 ft ²

Zone C	23.54 m ²	253.4 ft ²
TOTAL	141.19 m²	1,519.8 sq ft
ITZA	94.86 m²	1,021.1 sq ft
Basement , staffroom, toilets, office, service room, stockroom	64.48 m²	737 sq ft
First Floor , offices and computer Room	121.37 m²	1,306.45 sq ft
FLATS		
Flat 1, second floor	61.72 m²	664.35 sq ft
Flat 2, second & third floors	76.21 m²	820.3 sq ft
Flat 3, second floor	63.1 m²	679.2 sq ft

The ground floor retail area is in mostly open plan arrangement with the basement, which is approached from a staircase at the rear of the ground floor, given over to staffroom, separate male and female toilets, office, and service and stockroom facilities, plus vaults.

The first floor is currently arranged as a large enclosed office to the front of the building with an open plan office area together with a small reception and computer room at the top of the staircase leading up from the ground floor.

The residential accommodation, which comprises three self contained flats each of 2 bedrooms, kitchen either integral with the lounge or separately arranged, plus single bathroom, is accessed from a dedicated side entrance opening directly onto Kirkman Place.

CONDITION OF BUILDING

Our Valuer inspected both the inside and outside of the commercial element of the building on 27 March 2012 and it appeared that the property is in good condition both structurally and decoratively and we did not notice any obvious problems.

BUILDING SURVEY

For the purposes of this Valuation, we have not carried out a building survey of the property, nor have we tested the services or inspected those parts of the property that are covered, unexposed or inaccessible. Whilst any defects or items of disrepair, which we may have noted during the course of our inspection, will be reflected in our Valuation, we are not able to give any assurance that the property is free from defect. However, such parts of the property have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this Valuation should not be taken as making any implied representation or statement about such parts.

HAZARDOUS OR DELETERIOUS MATERIALS

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction or refurbishment of this property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this Valuation, we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

CONTAMINATION AND POLLUTION

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out an investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to this property from these uses or sites, and have therefore assumed that none exists.

However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now being reported.

TITLE

We have not had access to any of the Title Deeds to the property and our valuation assumes an unencumbered Freehold Property, free from any rights of way or easements, restrictive covenants or undisclosed onerous or unusual outgoings or restrictions of which we have no knowledge, but which could affect the value in any way, and thus that the property has a good marketable title. We have also assumed that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, or its use, or any intended use, is or will be unlawful.

TOWN PLANNING AND OTHER STATUTORY PROVISIONS

Our Valuation is prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire. It is assumed that they have been, or will be inspected by the Fire Officer (or relevant body as appropriate) and a Certificate issued if required.

We have not seen the original planning consent under which the building was refurbished, but have assumed that there has been no contravention of any Local or City Planning Authority regulations or any other statutory regulations in respect of the construction, use or occupation of the property, or any parts thereof. We assume that the property will have a valid consent for Retail (A1), Office (B1) and Storage (B8) where appropriate.

DEFECTIVE PREMISES ACT 1972 (as appropriate)

We have made no allowance in our Valuation for any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act 1972, (or appropriate enactment).

INTERESTS AND TENANCIES

We understand that the Freehold Interest in the entire property is held by The Trustees of The Micro Anvika Retirement Trusts 1, 2 & 3, (**Furbs**).

A lease in favour of The Trustees of Micro Anvika Limited Executive Pension Trust (**Pension Trust**) dated 19th October 1997 was granted by the Furbs for a term of 999 years from 29th September 1997 at a rental of £100 per annum in respect of

the ground and basement floors only, and a premium of £1,006,500 was payable at that time. We have not seen a copy of the head lease dated 19th October 1997 but assume that there is no revision in the head rental of £100 per annum, and our valuation figures are based upon that assumption.

The Pension Trust has inherited the occupational lease of the ground and basement levels let to Micro Anvika Limited (**Limited**), for a term expiring 28th September 2008, and we understand the last rental recorded was at a level of £169,000 per annum. The lease has however expired and our valuation will be based on the market rental value. We did note from the terms of that occupational lease dated 5th March 1984, that the lease was on an internal repairing basis only with a proportionate recovery by way of service charge, equivalent to 50% of the landlord's costs of repair and maintenance of the main structure and common parts. We also note that the user clause in this lease was restricted to "use of the demised premises as a high class supermarket including the sale of beer wines and spirits". We assume that landlord's consent was obtained for the current use being the sale of computer hardware, software and accessories, with ancillary offices, and our rental valuation is on the basis that this is the case.

Additionally, 'The Furbs' leases to 'Limited' on a separate lease, the first floor for a term co-terminus with the ground and basement lease, at a rental last recorded of £19,500 per annum, which incorporated a rent review due as at 29th September 2003 and on similar repairing terms to the ground and basement lease. As this lease has expired, as with the ground and basement levels, we are valuing on the basis of Market Rental Value.

As far as the residential accommodation at second and third floor levels, we are informed that the three flats are let on Assured Shorthold Tenancies on the following terms:-

Flat 1; £550 per week, i.e. £28,600 per year

Flat 2; £700 per week, i.e. £36,400 per year

Flat 3; £550 per week, i.e. £28,600 per year

The flats are leased by 'The Furbs' direct to the residential tenants.

RATEABLE VALUE

The current Rateable Value for the basement, Ground and First floors of the property is RV£161,000.

SOURCES OF INFORMATION

We have relied upon and taken on good faith the information provided to us by both yourself and your professional appointees, in addition to information obtained in the market.

MARKET CONDITIONS

CENTRAL LONDON INVESTMENT MARKET

Despite the weak leasing market and in particular, falling and continued uncertainty with respect to rental values, investment activity in the Central London area has continued to remain strong as institutional and private funds, in the face of low interest rates applied to bank deposits and other related 'safe' financial products, seek improved returns for their money and chase a limited stock of prime and secondary investments.

Yields for well-let, financeable stock have hardened (compressed) considerably, whereas yields for secondary stock have increased (although the yield gap is closing) offering the opportunistic investor some well-priced product, although yields on secondary properties are now also hardening. Private UK property companies buoyed West End investment levels through only a few transactions. In the City, UK Asian and Middle Eastern Private investors have driven turnover.

WEST END

Low interest rates underpin demand for strong income streams, but buying opportunities for particularly property companies with the opportunity to add value, remain scarce.

RESIDENTIAL LETTINGS

Rental levels for all residential types of property have hardened and increased in many areas over the last 12-24 months, caused in part by the reluctance of the Mortgage companies to lend without substantial deposits being made by purchasers (on average 20-30%) and the loan to value calculations erring very

much on the conservative side; causing home buyers to rent because they just cannot afford to buy at such high prices, notwithstanding Mortgage Interest Rates are still at historic lows. This results in quality refurbishments and properties in prime locations letting at or near previous peak levels of rental.

RESIDENTIAL SALES

We have consulted recent sales and also properties on the market and have drawn evidence and thereby values from the below data:-

Midford Place, mews off Tottenham Court Road midway between Grafton Way and Maple Street. Top floor 3-bedroom maisonette sold at £750,000 reflecting sale price of £808 per sq ft for 970 year lease.

Rathbone Street, 5th floor 2-bedroom flat with lift access sold at £685,000 on 107 year lease, reflecting sale price of £974 per sq ft .

Chenies Street Chambers, 3rd floor 3-bedroom flat in mansion block sold for £725,000 on 98 year lease reflecting £864 per sq ft.

Montagu House, 109-113 Whitfield Street, top floor 2-bedroom, 2-bathroom flat on the market at £775,000 for 84 year lease, with lift and large communal roof terrace, together with portorage, reflecting £1,033 per sq ft.

New Oxford Street, 2nd floor 4-bedroom flat on the market at £609,950 for 980+ year lease, reflecting sale figure of £880 per sq ft.

VALUATION

RENTAL VALUES

RETAIL AND ANCILLARY SPACE

On the evidence of the lease terms negotiated on the Cards Galore shop premises at 62 Tottenham Court Road W1, (asking rental for a new lease £145,000 per annum)some 4 doors away from the Micro Anvika shop, which we are told by Savills the letting agents involved, established a Zone A rental of £170 per sq ft in December 2011 (completed early 2012), for a shop on basement and ground floors of 1,306 sq ft ground floor and 962 sq ft at basement level, we

consider a realistic figure for the subject retail premises to be £174.25 per sq ft Zone A. The Metrobank letting at 227 Tottenham Court Road, analysed out after rent-free and A2 (banking use) allowances, at £161.25 Zone A.

We have adopted A/20 for the basement ancillary space and A/10, rounded to £20 per sq ft, for the first floor office and ancillary space.

These rentals translate as follows: -

53-54 Ground and Basement	£184,339 per annum
53-54 First Floor offices	£ 26,129 per annum

RESIDENTIAL

On the evidence of the transactions listed above, we have valued the 3 flats on the basis of £780 per sq ft on the gross internal area, and with vacant possession on the assumption of each benefitting from a long lease at a nominal ground rent.

We set out below our opinion of The *Market Value* (1) Of the Property as a whole; (2) Value of the 999 year lease held by The Pension Trust, and (3) the Value of the first floor office and residential accommodation on second and third floors, held by The Furbs.

53/54 Tottenham Court Road W1

(1)	Value of the Property as a whole	£5,514,500 Five Million, Five Hundred and Fourteen Thousand Five Hundred Pounds
(2)	Value of 999 year Leasehold Interest held by The Pension Trust	£3,351,500 Three Million, Three Hundred and Fifty One Thousand, Five Hundred Pounds
(3)	Value of the First, Second and Third Floors held by The Furbs	£2,163,000 Two Million, One Hundred and Sixty

Three Thousand, Pounds

QUALIFICATION REQUIREMENTS

We confirm that the Valuer responsible for this Valuation conforms to the requirements of the Practice Statements in the RICS Appraisal and Valuation Standards, and has acted as an Independent External Valuer.

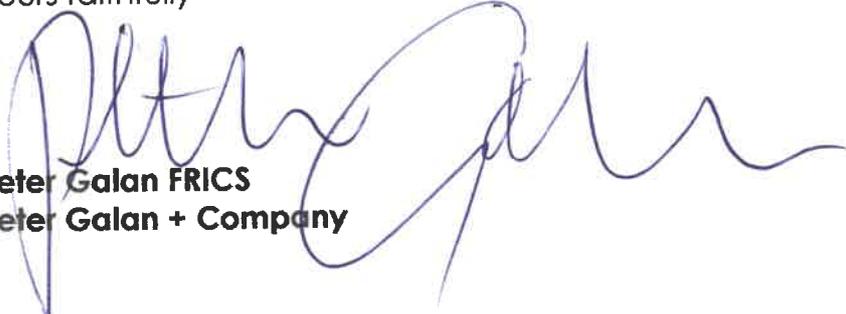
LIMITATION OF LIABILITY

This Valuation is provided for the stated purpose and for the sole use of the named client. It is confidential to you and your professional advisers and the Valuer accepts no responsibility whatsoever to any other person.

CONFIDENTIALITY

Neither the whole nor any part of this Valuation or any reference thereto may be included in any published document, circular or statement, or published in any way, without the Valuer's prior written approval of the form and context in which it may appear.

Yours faithfully



Peter Galan FRICS
Peter Galan + Company

Appendix 3 – Valuation Report August 2008



Report and Valuation

on

53 – 54 Tottenham Court Road, London W1T 2EJ

Micro Anvika Executive Pension Scheme
Micro Anvika Funding Unapproved Retirement Benefit Scheme

11th August 2008



ROBERT CRAWFORD

1. CRAWFORD MEWS
LONDON W1H 1LZ
TEL: 020 7267724/779
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E-Mail: prosec@rcw.co.uk
DX: 38753 Paddington

RC/Vals/53-54TottenhamCourtRoad/NOS

11th August 2008

Mr Thomas McIlhargey
Financial Controller
Micro Anvika Executive Pension Scheme
and Funded Unapproved Retirement Benefit Scheme
31-32 Alfred Place
London WC1E 7DP

Dear Mr McIlhargey

VALUATION OF 53-54 TOTTENHAM COURT ROAD, LONDON W1T 2EJ FOR THE MICRO ANVIKA EXECUTIVE PENSION SCHEME AND FUNDED UNAPPROVED RETIREMENT BENEFIT SCHEME

Thank you for your kind instructions to undertake a valuation of the Executive Pension Scheme and Funded Unapproved Retirement Benefit Scheme jointly owned freehold interest in the above property. I inspected and measured on 30th June 2008.

On the basis of valuation set out hereunder, and subject to the limitations, reservations and provisos stated, we have formed the opinion that the Market Value of the freehold interest held by the **Funded Unapproved Retirement Benefit Scheme** in the condition when inspected for the valuation date as at today's date is fairly represented by a sum of

£1,791,800

(One million seven hundred and ninety-one thousand, eight hundred pounds)

On the basis of valuation set out hereunder, and subject to the limitations, reservations and provisos stated, we have formed the opinion that the Market Value of the freehold interest held by the **Executive Pension Scheme** in the condition when inspected for the valuation date as at today's date is fairly represented by a sum of

£1,917,500

(One million, nine hundred and seventeen thousand, five hundred pounds)

The definition of Market Value is defined in the Appraisal and Valuation Standards (6th Edition) published by the Royal Institution of Chartered Surveyors. It is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's - length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Costs of disposal have not been deducted from the valuation.

I refer to the caveats and definitions contained in the appendix to this report and set out below our valuation:

1.0 LOCATION

- 1.1 The property is located on the west side of Tottenham Court Road on a line midway between Windmill Street to the south and Goodge Street to the north. The property is on the corner with Kirkman Place and the return frontage to the shop and access at the side to the residential upper parts is approached from Kirkman Place.
- 1.2 Goodge Street Underground Station (Northern Line) is within walking distance to the north. Tottenham Court Road Underground Station (Northern and Central Lines) is approximately 250 metres to the south.
- 1.3 The opposite side of the return frontage is Marks and Spencer Simply Food.

2.0 DESCRIPTION

- 2.1 The property comprises of an Edwardian style corner building arranged over lower ground, ground and three upper floors.
- 2.2 It is constructed of brick around a reinforced concrete frame with flat roofs. The quoin to Kirkman Place is in terracotta brickwork and the front elevation window heads and surrounds are also in terracotta brickwork. Each window has a soldier arch. The windowsills are cement. The above-ground drainage is in cast iron.
- 2.3 The roof is in sections to the rear at differing levels.

- 2.4 This parade of shops comprises of mixed age buildings some of which were built in the 1930s, others in the 1920s and some older Victorian properties. To the north the adjacent building is modern by comparison although there are two similar-aged Edwardian buildings immediately adjacent.
- 2.5 Tottenham Court Road is well known for its range of electronic outlets of which the subject unit is but one.
- 2.6 The lower ground floor comprises of storage without any natural light or ventilation. One room has been converted into an office. There are staff toilet facilities. The ground floor is a retail unit with considerable depth as below.
- 2.7 The side elevation is constructed in grey facing brick but again with red brick window soldier arches.
- 2.8 The entrance to the flats and fire escape from the first floor is through a set of steel mesh security doors on the side elevation onto Kirkman Place. The entrance to the flats has an entryphone. There are gas meters in the lobby between the street entrance door and the entrance to the steps of the common parts leading to the flats.
- 2.9 All the windows are sash windows and have been replaced from the originals.
- 2.10 The first floor comprises of a flat with a hall, living room/kitchenette, two bedrooms and bathroom/WC. The flat is quite deep. It has a gross internal floor area of 656 square feet.
- 2.11 The second residential unit is over second and third floors comprising a maisonette with a hall, living room, separate kitchen and two bedrooms with a bathroom and WC, with a gross internal area of 852 square feet.
- 2.12 The third floor is a flat with similar layout and similar style to the first floor flat comprising of a hall, living room with kitchenette, two bedrooms and bathroom with WC. The gross internal area is 691 square feet.
- 2.13 The basement has a net internal area of 792 square feet. The ground floor has three zones in accordance with the zoning principle which is to halve back from the frontage by depth of 6.1 metres (20 feet). The Zone A is 673 square feet, the Zone B is 638 square

feet and the Zone C is 271 square feet. The total area in terms of Zone A is 1,059.75 square feet.

2.14 There are stairs at the rear of the ground floor to the first floor ancillary rooms. These total a net internal area of 128.87 square feet and comprise a receiving area together with workroom space for undertaking computer repairs and configuration. There is also a separate room with an Information Technology server which is kept cool by an air-conditioning unit.

2.15 I set out a table of the accommodation below.

3.0 ACCOMMODATION

UNIT	M ²	Ft ²	Area Ft ² ITZA
Third floor flat	60.97	656	
Second/Third floor flat	79.13	852	
First floor flat	64.17	691	
First Floor ancillary	128.87	1,387	
Ground floor Zone A	62.50	673	673
Ground floor Zone B	59.30	638	319
Ground floor Zone C	25.17	271	67.75
Basement	73.60	792	

4.0 ESTATE

4.1 The estate is understood to be held freehold by the Funded Unapproved Retirement Benefit Scheme but subject to a 999 year lease granted to the Executive Pension Scheme on the ground and basement floors only at a fixed ground rent of £50 per floor.

4.2 Therefore the third floor flat, the second and third floor maisonette the first floor flat and the first floor ancillary space is owned by the Funded Unapproved Retirement Benefit Scheme.

4.3 I understand from you that the third floor flat is presently let at £23,400 per annum equating to £450 per week. I understand from you that the second and third floor maisonette is presently let at £26,000 per annum, currently £500 per week. Further that

the first floor flat is presently let at £23,400 per annum namely £450 per week. The actual gross incomes total £72,800 per annum.

5.0 INSPECTION

- 5.1 We confirm having inspected and measured the property internally.
- 5.2 We have not been able to inspect the drains or the roof. Our valuation in this regard is limited to what could be seen from within the building and from street level.

6.0 STATE OF REPAIR

- 6.1 The inspection and the Report do not purport to be a building survey.
- 6.2 A building survey together with testing of standard and or mechanical services was outside the scope of our instructions. No warranty can be given as to the structural condition of the building or as to the condition or the standard of the mechanical or electrical services.
- 6.3 We cannot be responsible regarding inaccessible parts latent defects hidden areas of rot or timber infestation or the use of inherently dangerous or unsuitable materials, the use of hazardous substances and improper or unsuitable building techniques.
- 6.4 In arriving at our valuation due regard has been taken of the general state of repair and condition of the property as far as could be seen at the time of inspection. In the event that structural defects or faults are discovered, of which we were not previously advised or aware, the valuation may need to be revised.
- 6.5 Tests to establish whether high alumina cement concrete products, blue asbestos or woodwool slabs used as structural formwork were used in the construction, modification or extension of the buildings were outside the scope of our instructions and have not therefore been carried out. No information concerning their possible presence has been received and the valuation is on the assumption that the building does not unless specifically identified incorporate these or other such deleterious products or materials.

7.0 TAXATION

- 7.1 The Valuation makes no allowance for any VAT or liability to tax that may arise under the Capital Gains Tax Acts, as amended, on the disposal of a property.

8.0 PLANNING

- 8.1 From inquiry of The London Borough of Camden, the property is within the Charlotte Street conservation area; and within their adopted Unitary Development revised in 2006, this is within the Fitzrovia Central London Local Area.
- 8.2 The development history is varied. Other than some advertisement applications concerning fascia signs, the largest permission commenced in application form on 12 June 1998, was withdrawn and re-submitted on 10 July 1998; was withdrawn and re-submitted on 27 July 1998, repeated on 10 August 1998 and finalised on 14 August 1998.
- 8.3 On that application (14/8/1998) under reference PS9804485R4 planning consent was granted for the general refurbishment of the building together with the creation of one additional residential flat (making three flats in total); the construction of a four storey plus basement infill extension facing Kirkman Place for part retail, part residential use; and a two storey rear extension over the existing ground floor extension to the property, for residential use. This consent was granted subject to a section 106 planning agreement to improve the environment.
- 8.4 The other significant permission under application number 33248 and registered on 29 October 1981 is for the use of the first floor as an office. But this pre-dates the permission to refurbish the building registered on 14 August 1998.

9.0 METHODOLOGY

- 9.1 The appropriate methodology is to value to Market Value in accordance with a definition that can be drawn from the RICS Valuation Standards albeit that this is an internal valuation.
- 9.2 Market Value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
- 9.3 For a freehold building of this nature the appropriate methodology is to obtain comparable evidence of both residential and retail units and apply the investment

approach to the commercial element namely the first floor ancillary accommodation, the ground floor retail accommodation and the basement ancillary accommodation.

- 9.4 The residential units on the third, second and first floors can be valued to vacant possession value assuming a long lease at a nominal ground rent. However because they are presently let and form a part of a holding with separation from one of the pension schemes by one floor the investment method would produce an appropriate check to the values.
- 9.5 As above, because the Executive Pension Scheme owns two floors being the ground and basement, the appropriate Market Value is to determine this holding using the investment approach. This requires application of a rental value to both those two floors. From this is deducted the ground rent of £50 per floor (£100 in total for both floors) to produce the net profit rent. This is then capitalised by an appropriate multiple (year's purchase) obtained from analysis of investment transactions in the locality with due regard for the overall nature of the holding.
- 9.6 The first floor can be valued using the investment methodology although the top three floors can be valued using the capital value comparative approach from comparable sales of flats in the area.

10.0 COMPARABLE EVIDENCE

Investment Comparables

- 10.1 From canvassing records of sales of investments of this mixed nature I found the following comparables:
- 10.2 34 Maple Street W1T 6HD. This is a mixed retail investment the freehold of which sold at the Jones Lang LaSalle auction on 10 July 2008. It comprised 6 storeys arranged as basement music studio, a ground floor retail shop, a rear ground floor self contained cottage, two first floor workshops and three self-contained flats over second third and fourth floors. The ground floor shop had a lease for 20 years at a rent of £17,000 p.a. The ground floor cottage was let on an assured shorthold tenancy at £18,720 p.a. The music studio was let at £7,200 p.a. The first floor front workshop was let at £3,000 p.a. The first floor rear workshop was let at £6,000 p.a. for a year. The second floor flat was let on an assured shorthold tenancy for a year at £15,600 p.a. The third floor flat was let on an assured shorthold tenancy for a year at £13,520

p.a. The fourth floor flat was let on an assured shorthold tenancy for a year at £12,720 p.a. The sale price was £1,245,000 on an income of £93,760 per annum equating to 7.53% yield.

- 10.3 18 Melcombe Street NW1 6AH. This is a mixed retail freehold investment that sold at the Allsop auction on 7 July 2008. The total income was £15,513 and it fetched £263,000 reflecting a yield of 5.9%. The property was arranged over 5 storeys comprising a ground floor estate agents office with four self-contained flats over basement first second and third floors. The ground floor was let on a 5 year lease expiring in December 2009 at a rental of £14,713 p.a. This was reversionary. The basement flat was sold on a long lease for 125 years from December 2006 expiring in December 2131. The ground rent is £200 p.a. increasing. The first floor flat was similarly sold commencing in January 2007; likewise the third floor flat.
- 10.4 41 Theobalds Road WC1X 8SP. This is a mixed retail investment sold at the Barnett Ross auction on 10 April 2008 for £290,000 on an income of £14,550 p.a. This reflected a yield of 5.02%. The yield was clearly reversionary because two of the tenancies had leases ending in June this year and one in 2087. The property is arranged over 5 storeys as a lower ground restaurant, a ground floor retail shop with a self contained first, second and third floor maisonette. The ground floor shop lease expired in June 2008. The rent was £14,500 p.a. The maisonette has been sold off on a long lease of 99 years from 25 March 1988 at a ground rent of £50 p.a. increasing.
- 10.5 131 Aldersgate Street EC1A 4JQ. Although some distance away this is another freehold mixed retail investment. It sold at Allsop's auction on 7 April 2008 for £2,250,000 equating to a yield of 6.88%. The retail element comprised 6,533 square feet of space let to a restaurant producing £40,000 p.a. There were 2 basement areas. The upper parts comprised first second and third floors.
- 10.6 76 Neal Street WC2H 9PL. This was a mixed retail freehold investment sold at the Allsop's auction on 19 March 2008. The price achieved was £3,380,000 with an income of £201,380 p.a. equating to a yield of 5.96%. The property was arranged over 7 storeys comprising a ground floor shop and basement, first second and third floor offices. The fourth and fifth floors comprised a flat. The lettings appear close to full market rent.

- 10.7 39 Lambs Conduit Street London WC1N 3NG. This is a mixed freehold retail investment sold at the Barnett Ross auction on 20 February 2008 producing £19,500 p.a. selling for £275,000. The property formed part of a larger building to provide a basement and ground floor shop only with a review in 2007. The yield is 7.09 %.
- 10.8 53 Clerkenwell Close EC1R OEA. This was a mixed freehold retail investment that sold at the Barnett Ross auction on 13 December 2007 for £354,000 against its guide price of £250,000. The income from this 3 storey property was £20,150 and the yield was 5.69%. The property was let as a ground floor café with a self contained first and second floor maisonette.

Retail Comparables

- 10.9 31, Museum Street WC1A 1LH. This was an assignment of a lease comprising of 1,254 square feet at an achieved rental of £33,000 p.a. reflecting £26.32 per foot overall on 1st July 2008. Assuming standard shop dimensions, this equates to £50.63 per square foot in terms of Zone A.
- 10.10 55, Greek Street W1D 3DT. This was a shop letting undertaken by E A Shaw reflecting £120 per foot in terms of Zone A, achieved on 1st July 2008.
- 10.11 53, Charlotte Street W1A 4PA. This was a shop letting achieved on 22 June 2008. It comprised of 1,755 square feet of retail space at a rent of £45,000 p.a. equating to £25.64 overall or £63 per foot in terms of Zone A.
- 10.12 26, Goodge W1T 2QG. This is a letting on 23 May 2008 at £38,500 p.a. The Zone A rent was undisclosed; but on analysis from £36.67 per foot overall, this should come to £61.00 per foot on the same analysis. The upper part comprised offices.
- 10.13 36, Great Russell Street WC1B 3PP. This was a small unit of 328 square feet all of which is Zone A. It let to Baskin-Robbins Ice Cream for £25,000 p.a. on 1st April 2008 reflecting £76.22 in terms of Zone A.
- 10.14 90, Whitfield Street W1T 5EA. This was let on 1st January 2008 comprising 1,283 square feet achieving £116,000 p.a. which is £90.41 per foot on an overall basis. It equates to £177 in terms of Zone A. This is a high quality building providing 100,000

square feet of Grade A offices and 8,300 square feet of retail accommodation in six units.

- 10.15 9 Goodge Street W1. This was a letting of the ground floor comprising 824 square feet net internal area and the basement of 756.27 square feet. The basement was very damp poor storage worth, at most, £1,500 p.a. The total area in terms of Zone A is 405.10 square feet. D.E & J Levy let the unit at £52,000 p.a. for 15 years with 5 yearly reviews upward only on 9 July 2008. This equates to £124.66 per square foot.

Residential Comparables

- 10.16 Flat 2 Fitzrovia Apartments Warren Street W1. This first floor 2 bedroom flat has a 117 year unexpired lease and sold on 18 September 2007 through Robert Irving and Burns for £775,000 (£915 per square foot).
- 10.17 Flat 3, 55 Warren Street W1. This 1 bedroom second floor flat with 119 years unexpired sold through Kay & Co for £380,000 (£720 per square foot) on 25 May 2007.
- 10.18 Flat 1, 95 Great Titchfield Street W1. This 2 bedroom ground and lower ground floor flat with 105 years unexpired sold through Knight Frank on 24 April 2008 for £1,100,000 (£1,098 per square foot).
- 10.19 23, Lancaster Court Newman Street W1. This 2 bedroom flat 2nd floor flat with 115 years unexpired sold on 15 July 2008 for £625,000 (718 per square foot) through Robert Irving and Burns.
- 10.20 38, York House Newman Street W1. This 1 bedroom lower ground floor flat with 988 years unexpired sold on 18 January 2008 for £395,000 through Hudsons.
- 10.21 Flat 12, Lancaster Court 37 Newman Street W1. This 2 bedroom 2nd floor flat with 115 years unexpired sold on 20 February 2007 for £430,000 (£743 per square foot) through Globe Apartments.

11.0 ECONOMIC COMMENTARY

- 11.1 The Central London quarterly office update published by Cluttons presents a good picture of the state of the market. As the first floor is capable of being used as office space this research is relevant in that respect also.
- 11.2 The research is split into various submarkets and this property is within the area sometimes referred to as north Soho or Noho.
- 11.3 Rental values and take-up was sharply down compared with the previous quarter at just over 1,500 square metres in 3 small deals. It is the lowest quarterly take-up since the last quarter of 2005.
- 11.4 That year is significant for the residential market because the growing consensus is that capital values have to fall to the index prevailing at Q4 2005 for the market to stabilise.
- 11.5 There has been no growth in prime headline rental for office space since the last quarter at £65 per square foot.
- 11.6 In terms of development, space with planning permission fell to 40,000 square metres / 400,000 square feet from 47,000 square metres during the quarter. No new permissions were granted and two schemes went under construction during the quarter.
- 11.7 Of the total space under construction, this is some 74,000 square metres, down by 4,000 square metres from the previous quarter and of the total no less than 29% is speculative.
- 11.8 There were two investment transactions during the quarter totalling £23,000,000. Prime Grade A yields continued to rise and are now at 6%.
- 11.9 Retail yields as can be seen from the comparable sales transactions above have fared no better.
- 11.10 The downturn in the residential market can be seen from the above few comparables of flat sales in the vicinity over a period from the height of the market in July 2007 to today's date.

- 11.11 The RICS Commercial Market Survey for Quarter 2 2008 notes that tenant demand for commercial property declined at the fastest pace in the survey's history since 1998 in the second quarter, as did enquiries to occupy commercial property. However occupier demand for retail space was not so bad in Central London compared to the rest of the country. In Central London demand was not as weak as in Quarter 4 2001.
- 11.12 Demand and enquiries were weakest in the retail sector and fell back to a lesser degree in the industrial and office markets as the economic slowdown reduced expansion.
- 11.13 Rising (tenants) inducements were recorded at a faster pace in the industrial and retail sectors as tenants bargaining power has picked up.
- 11.14 Available floor space increased at a moderate rate in London compared to sharp increases in other parts of the Country.
- 11.15 The RICS Housing market survey for June 2008 shows weak demand and buy to let investors entering the market to take advantage of rising rents. Furthermore, while the housing market remains weak. Sentiment improved slightly.

12.0 CONCLUSION AND VALUATION

- 12.1 Dealing first with the residential element, from the comparables, and canvassing the views of the agents who sold these flats, taking into account the location, nature of the building and the entrance behind a security grille in Kirkman Place, it would be prudent to adopt a capital value of £715 per square foot on the assumption of a sale with vacant possession on a 125 year lease at a nominal ground rent.
- 12.2 From experience of leasehold enfranchisement valuations, there is a differential of 1% between a very long lease and a freehold interest to reflect the lessee's covenants of repair and the need to seek consents for alterations.
- 12.3 In the case of the third floor flat, the freehold interest would be worth £499,000. In the case of the second/third floor maisonette, this would be worth £615,000. The second floor flat would be worth £473,700. From these figures one should deduct a

sum to reflect redecoration to present the flat for sale with vacant possession. In each case that would entail a void period.

- 12.4 After deducting for re-decoration the values are: Third floor £490,000; Second/Third floor £604,000; Second floor £460,000. These total £1,554,000. These attribute to the FURBS fund.
- 12.5 The shop, basement and first floor comprise of one unit. The first floor space can be reached from the fire escape at the side entrance but its present layout makes it ancillary space to the ground floor shop. The basement can only be reached from the shop. As above it comprises of storage and staff space.
- 12.6 From the above comparables it can be seen that retail rents are widespread. Further, complications arise from attributing rents to different localities. Furthermore the smaller the space the higher the rental value.
- 12.7 The economic commentaries give an excellent indication that the present climate presents a tenants market. We also considered the analyses with overall rents so as to consider the tone of rents achievable.
- 12.8 The closest transactions are 53 Charlotte Street, and 9 Goodge Street. 26 Goodge Street is further from Tottenham Court Road. 36 Great Russell Street does not compare in size. 90 Whitfield Street is fairly close.
- 12.9 Having regard to all the economic indicators, the comparables which indicate a rapidly rising rental value as the road nears the junction with Tottenham Court Road, we therefore adopt £120 per square foot in terms of Zone A.
- 12.10 Further from experience and canvassing the letting agents we adopt one tenth of the Zone A rent to the first floor.
- 12.11 Further because the basement is non - trading and has no natural light nor ventilation, we adopt one twelfth of Zone A.
- 12.12 We added 5% as is industry practice to reflect the return frontage to Kirkman Place. This makes the shop visible to pedestrian shoppers approaching from the north.

- 12.13 Having zoned the ground floor into 20 foot depths, each section being half the rental value of that in front, we apportion a net rental value to the ground floor of £131,196 and after deducting ground rent of £50, this comes to £131,146 but say £131,150 p.a.
- 12.14 The first floor is ancillary and notwithstanding its planning use as offices, it has no other respectable access other than at the rear of the shop. Therefore we attribute one tenth of the Zone A rent i.e. £12 per square foot to reflect this ancillary use and quality of space. That makes it £16,646 p.a. say £16,650 p.a. Were it to have separate access so as to make it independent offices, it might be worth £37.50 per foot. However this is not the case. At £20 per square foot, the rental value comes to £27,743 say £27,750 p.a.
- 12.15 It must be noted that with improved access to the first floor, then applying £37.50 as rental would increase the gross valuation. However from this one must deduct the costs of improving access and removing the rear staircase from the back of the shop.
- 12.16 The basement has no natural light or ventilation and has only storage purposes. We attribute one tenth of Zone A to reflect the narrow staircase down and layout. This comes to a rental value of £ 7,922 p.a. After deducting ground rent of £50 p.a. this comes to £7,872 p.a. say £7,900 p.a.
- 12.17 We then use the investment method to capitalise the total income stream. From the comparable investment sold listed above we considered three issues. These were: (1) the date of sale thus indicating availability of money and demand, (2) the degree of reversion to the investment income and (3) the nature, size and quality of the investment.
- 12.18 From those criteria we concluded that the nearest comparable is 34 Maple Street that sold for 7.53%. We also factor in the sale at 39 Lambs Conduit Street in February. As the commercial market has worsened we feel it prudent to adopt a yield closer to the higher yield but having regard to the covenant strength of Micro Anvika, a well known electrical retailer, that the building was refurbished in the late 1990's and that it is in Tottenham Court Road, we adopt a yield of 7.0% which represents a multiple to be applied against the net income stream of the first floor namely 14.29 years purchase.

12.19 However in respect of the long leasehold elements it would be prudent to make a quarter of 1 percent deduction to reflect their leasehold estate. So we apply a yield of 7.25% i.e. a years purchase of 13.79 to the ground floor and basement net profit rental income stream.

12.20 We rely upon the apportionment of capital value resulting from the application of the same years purchase multiple to the different elements since the rental value of each element reflects its value. This produces the following splits in value for internal apportionment purposes.

12.21 Consequently we conclude that the capital value of the basement is £108,575, say **£108,500.**

12.22 Consequently we conclude that the capital value of the ground floor is £1,808,192, say **£1,809,000.**

12.23 Consequently we conclude that the capital value of the first floor is £237,793 say **£237,800**

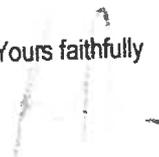
12.24 From the above we conclude that the values can be apportioned thus:

Ownership	Unit	Floor	Value
FURBS	Flat	Third	£490,000
FURBS	Flat	Third/ Second	£604,000
FURBS	Flat	Second	£460,000
FURBS	Ancillary Use/Office	First	£237,800
FURBS TOTAL			£1,791,800
EPS	Retail	Ground	£1,809,000
EPS	Store/Staff	Basement	£108,500
EPS			£1,917,500
TOTAL			£3,709,300

13.0 PROVISOS

- 13.1 We have assumed that the property complies with the provisions of the legislation affecting the statutory condition, maintenance and facilities required and that there are no outstanding notices issued by public authorities or insurance companies which require substantial works to be carried out.
- 13.2 In a number of respects we have relied on information provided by yourself. Whilst reasonable checks have been made, the accuracy of this information has been assumed.
- 13.3 The valuation has been assessed as at both the above date in the light of the then prevailing market conditions. Specific factors affecting the general economic outlook may cause movement in values caused by variations in both bank and mortgage rates, investment yields and the general demand for particular types of property. Therefore we would recommend a reassessment of value be made in the event that a transaction is contemplated at a date subsequent to the date of this report.
- 13.4 This Valuation Report has been prepared for the purposes of the valuation of the interests held by Executive Pension Scheme and Funded Unapproved Retirement Benefit Scheme only. No responsibility can be accepted to any third party for all or any part of the contents.
- 13.5 Were the individual funds' assets to be offered to the market separately, given the different floors and uses the result may be different. This valuation does not encompass such an intention.
- 13.6 Neither the whole nor any part of the Certificate nor any reference thereto, may be included in any document, circular or statement without our written approval first being obtained as to the form and context in which it will appear.

Yours faithfully


Paul Rose BSc DipArb FRICS FCI Arb

Appendix 4 – Valuation Report September 2003



PETER GALAN + COMPANY • PROPERTY CONSULTANTS
5 HENSTRIDGE PLACE • ST JOHN'S WOOD • LONDON • NW8 6QD
TEL: 020 7722 2205 FAX: 020 7722 0882 E-Mail pgco@dial.pipex.com

The Trustees of The Micro Anvika Retirement Trusts 1, 2 & 3
Remax House
30-32 Alfred Place
LONDON
WC1E 7DP

03 September 2003

Dear Sirs

53-54 Tottenham Court Road LONDON W1

In accordance with instructions received from Mr. Ravi Viridi, the scope of which was stated in his letter dated 13th May 2003, our Valuer, Peter Galan FRICS, has inspected the above retail and residential property on 22nd August 2003, made all necessary enquiries in accordance with your instructions, with a view to advising you of our opinion of the *Market Value* of the Freehold Interest of the property as a whole subject to the existing long Leasehold Interest as described below, the value of the 999 year lease held by The Micro Anvika Limited Executive Pension Trust, and the separate value for the first floor and residential accommodation again owned by the Retirement Trusts. In addition, you have asked us to provide rental valuations for the retail elements, in order to undertake the rent reviews.

We understand that this opinion is required for internal and operational purposes.

VALUATION BASIS

The interest has been valued in accordance with *The RICS Appraisal and Valuation Standards*, first published in 2003 and becoming effective from 1st May 2003. The completely new Red Book is the outcome of a project to revise the existing manual, which had become unwieldy and did not distinguish between global and UK applications. Although they have been updated and expressed in a different way, the majority of the Standards in the old manual have not changed.

valuations 53-54 TCR september 2003

The Valuation method employed particularly incorporates the recommendations stated in Practice Statement PS 3.2, which states for 'Market Value' (MV)

'The Estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.'

LOCATION

The building is located on the west side of the cosmopolitan Tottenham Court Road in the block between the junctions with Windmill Street to the South and Goodge Street to the North, with a side elevation fronting onto Kirkman Place. Oxford Street, Warren Street, Goodge Street and Tottenham Court Road London Underground stations are within close proximity to the building providing Central, Victoria, Bakerloo and Northern Line services. The planned introduction of Cross Rail means this area will be unrivalled in the provision of Central London transport links.

With a hint of Soho, the area is proliferated with arts, marketing and media businesses amongst others who enjoy the benefit of national and niche retailers such as M & S, Sainsbury Local, Paperchase and Heals; restaurants such as Bertorelli's; the Charlotte Street and Sanderson "boutique" hotels and the buzz of a vibrant local business community.

THE BUILDING

The building, as more clearly shown on the attached photographs and street and Ordnance plan extracts, is constructed on basement, ground and three upper floors, and comprises the following approximate dimensions and net internal areas: -

	m/ m ²	ft/ ft ²
Gross Window Frontage	10.8m	35.43 ft
Net Window Frontage	9.54m	31.3 ft
Shop Internal Width	10.12m	33.2 ft
Shop Depth (maximum)	16.54m	54.3 ft
Ground Floor Sales Area		
Zone A	60.29 m²	649 ft²

Zone B	57.36 m ²	617.4 ft ²
Zone C	23.54 m ²	253.4 ft ²
TOTAL	141.19 m²	1,519.8 ft²
ITZA	94.86 m²	1,021.1 ft²
Basement, staffroom, office, service room, stockroom	64.48 m²	737 ft²
First Floor Sales Area		
	121.37 m²	1,306.45 ft²
FLATS		
Flat 1, second floor	61.72 m²	664.35 ft²
Flat 2, second & third floors	76.21 m²	820.3 ft²
Flat 3, second floor	63.1 m²	679.2 ft²

The ground floor and first floor retail areas are in mostly open plan arrangement with the basement, which is approached from a staircase at the rear of the ground floor, given over to staffroom, (including male and female toilets), office, and service and stockroom facilities.

The residential accommodation, which comprises three self contained flats each of 2 bedrooms, kitchen either integral with the lounge or separately arranged, plus single bathroom, is accessed from a dedicated side entrance opening directly onto Kirkman Place.

CONDITION OF BUILDING

Our Valuer inspected both the inside and outside of the building on 22nd August 2003 and it appeared that the property is in particularly good condition both structurally and decoratively and we did not notice any obvious problems.

BUILDING SURVEY

For the purposes of this Valuation, we have not carried out a building survey of the property, nor have we tested the services or inspected those parts of the property that are covered, unexposed or inaccessible. Whilst any defects or items of disrepair, which we may have noted during the course of our

inspection, will be reflected in our Valuation, we are not able to give any assurance that the property is free from defect. However, such parts of the property have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this Valuation should not be taken as making any implied representation or statement about such parts.

HAZARDOUS OR DELETERIOUS MATERIALS

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this Valuation, we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

CONTAMINATION AND POLLUTION

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out an investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to this property from these uses or sites, and have therefore assumed that none exists.

However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now being reported.

TENURE

We have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing. We have also assumed that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, or its use, or any intended use, is or will be unlawful.

INTERESTS AND TENANCIES

We understand that the Freehold Interest in the entire property is held by The Trustees of The Micro Anvika Retirement Trusts 1, 2 & 3, (**Furbs**).

A lease in favour of The Trustees of Micro Anvika Limited Executive Pension Trust (**Pension Trust**) dated 19th October 1997 was granted by the Furbs for a term of 999 years from 29th September 1997 at a rental of £100 per annum in respect of the ground and basement floors only, and a premium of £1,006,500 was payable at that time. We have not seen a copy of the head lease dated 19th October 1997 but assume that there is no revision in the head rental of £100 per annum, and our valuation figures are based upon that assumption.

The Pension Trust has inherited the occupational lease of the ground and basement levels now let to Micro Anvika Limited (**Limited**), for a term expiring 28th September 2008, and let at a current rental of £129,000 per annum. There is a rent review operable on 29th September 2003. We note from the terms of that occupational lease dated 5th March 1984, that the lease is on an internal repairing basis only with a proportionate recovery by way of service charge, equivalent to 50% of the landlord's costs of repair and maintenance of the main structure and common parts. We also note that the user clause in this lease is restricted to "use of the demised premises as a high class supermarket including the sale of beer wines and spirits". We assume that landlord's consent was obtained for the current use being the sale of computer hardware, software and accessories, and our rental valuation is on the basis that this is the case.

The rent review is upward only and to open market rental value.

Additionally, The Furbs leases to Limited on a separate lease, the first floor for a term co-terminus with the ground and basement lease, at a current rental of £19,500 per annum, with a rent review due as at 29th September 2003 and on similar repairing terms to the ground and basement lease. We have seen only an early draft of this lease.

Also, as far as the residential accommodation at second and third floor levels, where we are informed that the three flats are together let on assured shorthold tenancies until September 2003 at a combined gross rental of £59,800 per annum, this is again leased by The Furbs direct to the residential tenants.

RATEABLE VALUE

The current Rateable Value for the basement, Ground and First floors of the property is RV£100,000 with poundage set at £0.444 for the current financial year.

TOWN PLANNING AND OTHER STATUTORY PROVISIONS

Our Valuation is prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire. It is assumed that they have been, or will be inspected by the Fire Officer (or relevant body as appropriate) and a Certificate issued if required.

We have not seen the original planning consent under which the building was refurbished, but have assumed that there has been no contravention of any Local or City Planning Authority regulations or any other statutory regulations in respect of the construction, use or occupation of the property, or any parts thereof.

DEFECTIVE PREMISES ACT 1972 (as appropriate)

We have made no allowance in our Valuation for any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act 1972, (or appropriate enactment).

DISPOSAL COSTS AND LIABILITIES

Market Value is understood as the value of a property estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

SOURCES OF INFORMATION

We have relied upon and taken on good faith the information provided to us by both yourself and your professional appointees, in addition to information obtained in the market.

MARKET CONDITIONS

CENTRAL LONDON

Despite the weak leasing market and in particular, falling and continued uncertainty with respect to rental values, the value of total investment activity in quarter 2 of 2003, at £1.74bn exceeded the 5 year quarterly average of £1.56bn.

Yields for well-let, financable stock remain static, whereas yields for secondary stock have increased substantially offering the opportunistic investor some well-priced product. Private UK property companies buoyed West End investment levels through only a few transactions. In the City, UK and Middle Eastern Private investors have driven turnover.

WEST END

West End Investment activity totaled £0.68bn in quarter 2 of 2003. The value of transactions totaling almost three times the level seen in quarter 1 has brought quarter 2 into line with recent quarterly averages. Private UK property companies have acquired a small number of high value properties accounting for 63% of turnover.

Middle Eastern purchasers continue to dominate foreign investment, accounting for 63% of overseas investment and 23% of total west End turnover in the quarter.

Low interest rates underpin demand for strong income streams, but buying opportunities for particularly property companies with the opportunity to add value remain scarce.

RESIDENTIAL LETTINGS

Rental levels for all residential types of property have softened over the last 6-9 months. Only quality refurbishments and properties in prime locations are letting at or near previous levels of rental. In the sub-market, rents have dropped dramatically, some by as much as 15%, and in some cases properties are unlettable with the large volume of unlet properties overhanging the market. Landlords, desperate not to have their property empty for any longer than necessary, will go to increasing lengths either to keep existing tenants happy or to attract new ones.

The central London lettings market is made up of 20-25 per cent of corporate lets, and this type of let has been bad since the dot com bubble burst. There are more properties on the market than there need be and tenants have lower budgets and expect more for their money. This translates into landlords having their property up to scratch and being prepared to negotiate. According to a recent survey of letting agents, the average void period nationwide is 29 days a year. This increases to 36 days in prime central London locations.

VALUATION

RENTAL VALUES

RETAIL AND ANCILLARY SPACE

On the evidence of the lease terms negotiated on the Harts Grocer's shop premises, which established a rental at 253/257 Tottenham Court Road (corner of Bedford Avenue) of £190psf Zone A in March 2002, and based upon the transaction of the open market letting at 77 Tottenham Court Road (corner of Tottenham Street) at £145psf Zone A in June 2003, we consider a realistic figure for the above retail premises to be £160 psf Zone A.

We have adopted A/20 for the basement ancillary space; and A/10 for the first floor retail trading and office space.

These rentals translate as follows: -

53-54 Ground and Basement	£169,250 per annum
53-54 First Floor retail	£ 21,000 per annum

RESIDENTIAL

On the evidence of the lettings achieved at 51/52 Tottenham Court Road where 2-bedroom 2-bathroom flats, refurbished a couple of years ago, and which have been let at rentals ranging from £360 - £370 per week, we consider a reasonable level to achieve on each of the 3 flats at 53-54 Tottenham Court would be £360 per week, which grosses up to £56,160 per annum.

We set out below our opinion of *The Market Value* (1) Of the Property as a whole; (2) Value of the 999 year lease held by The Pension Trust, and (3) the Value of the first floor and residential accommodation on second and third floors, held by The Furbs.

53/54 Tottenham Court Road W1

(1)	Value of the Property as a whole	£3,217,000
		Three Million, Two Hundred and Seventeen Thousand Pounds

(2)	Value of 999 year Leasehold Interest held by The Pension Trust	£2,115,500 Two Million, One Hundred and Fifteen Thousand, Five Hundred Pounds
(3)	Value of the First, Second and Third Floors held by The Furbs	£1,101,500 One Million, One Hundred and One Thousand, Five Hundred Pounds

QUALIFICATION REQUIREMENTS

We confirm that the Valuer responsible for this Valuation conforms to the requirements of the Practice Statements in the RICS Appraisal and Valuation Standards, and has acted as an Independent External Valuer (specifically PS 2.2).

LIMITATION OF LIABILITY

This Valuation is provided for the stated purpose and for the sole use of the named client. It is confidential to you and your professional advisers and the Valuer accepts no responsibility whatsoever to any other person.

CONFIDENTIALITY

Neither the whole nor any part of this Valuation or any reference thereto may be included in any published document, circular or statement, or published in any way, without the Valuer's prior written approval of the form and context in which it may appear.

Yours faithfully

Peter Galan FRICS

Appendix 5 – Business Rates Notice of Alteration 2003



M Jorgensen BA(Hons) MRICS
Valuation Officer

London - Westminster Group
4th Floor
Wingate House
93-107 Shaftesbury Avenue
London
W1D 5BU

Micro Anvika
c/o Peter Galen and Company
5 Henstridge Place
St Johns Wood
London
NW8 6QD

Your Reference :
Our Reference : 6457915
Please Ask For : Joan Tozer
Contact Numbers: Tel 0207 445 0500
Fax 0207 445 0699
Date : 09-JUL-2003

Dear Sir/Madam,

THIS NOTICE IS IMPORTANT
NOTICE OF ALTERATION TO AN EXISTING 2000 RATING LIST ENTRY

I have now altered the Rating List as follows :-

Billing Authority : CAMDEN
Reference Number : 00948005354047
Description : SHOP AND PREMISES
Rateable Value : £100,000
Effective Date of Alteration : 01-APR-2003
Actual Date of Alteration : 08-JUL-2003

Address : BST-1ST FLOORS 53-54, TOTTENHAM COURT ROAD, LONDON, W1T
2EJ

An entry in the Rating List indicates liability for the payment of rates. You may appeal against any aspect of the new entry even if you have an earlier appeal outstanding. If you wish to appeal you can obtain a proposal form from this office.

If you have an agent acting on your behalf in an outstanding appeal, or a retained agent, this notice has not been copied to them, and you may wish to send them a copy.

FOR YOUR INFORMATION

The previous List entry was : Rateable Value : £80,000

The reason for this notice is that alterations have been made to the property, and the previous assessment is now considered to be incorrect.

The rateable value is not the amount you have to pay and any enquiries about the payment of rates should be directed to the Billing Authority. For any other queries please contact this office, quoting "Our reference" shown above.

Yours faithfully,

M Jorgensen BA(Hons) MRICS
Valuation Officer.

VO 7011A (2000 v 4)



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