

5 November 2021



Obote Hope

Sent via email to Obote.Hope@camden.gov.uk

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Dear Obote,

14 GREAT JAMES STREET, WC1N 3DP
APPLICATION REF. 2021/3345/P

Background

I write further to the applications for planning permission and listed building consent submitted to the London Borough of Camden July 2021 for the conversion of 14 Great James Street from office to residential use. The application was submitted in July 2021 and was validated in August 2021 ref 2021/3345/P.

The application seeks planning permission for the following development:

Change of use from office (Class E) to residential (Use Class C3)

A separate application for LBC was submitted in July 2021 and validated in August 2021 ref. 2021/2913/L. The application seeks listed building consent for the following development:

Internal alterations at all levels including provision of new bathrooms in association with conversion from office to a single family dwelling house.

The purpose of this letter is to provide additional information in response to the loss of employment policies and the marketing activity undertaken on the project to date. It has been prepared in conjunction with the Applicant and Edward Charles & Partners who will be providing additional information and evidence under cover early next week.

Site

The property forms part of a Grade II* listed terrace (Nos. 3-16 inclusive). The listing describes the buildings being constructed from brown brick with some later refacing in multi-coloured stock brick. The terrace comprises of four storey properties with three windows per floor across the front elevation which establishes a rhythm along the terrace of repeated window and door openings.

The site is located within the Bloomsbury Conservation Area. The townhouses in Great James Street are particularly well preserved which is acknowledged by the Grade II* listing. The conservation area appraisal notes the follows:

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Although once primarily residential, the area now has a mixture of uses. The main and secondary thoroughfares (John Street, Doughty Street, Bedford Row, Rugby Street and Great James Street) are dominated by office uses but retain some residential uses (in particular in Millman Street). Throughout the sub area, there is an increasing trend to return townhouses to their original use as single family dwellings. The larger properties in Bedford Row are largely occupied by legal firms, due to their proximity to Gray's Inn and Lincoln's Inn

The majority of the buildings on the street are now residential. The vast number of conversions have been appended to this letter as appendix 1.

Planning History

A previous application (2013/3114/P and 2013/3403/L) for change of use to residential from office was granted on the 10th January 2014.

The officer's report for the 2013 application (ref: 2013/3114/P) advised that the loss of business / office floorspace was appropriate at this location as the building was not fit for current purposes and would not be suitable for any other business uses. It was also acknowledged that the provision of office space around the Kings Cross and Euston area would provide surplus office space within the borough therefore the loss of employment floorspace is considered to be acceptable in this instance, and would not be contrary to the adopted local plan.

Planning Policy

Local Plan Policy E2 (Employment premises and sites) states the Council will protect sites that are suitable for continued business use, in particular premises for small businesses, businesses and services and those that support the functioning of the CAZ and local economy.

The Policy outlines that the Council will resist development of business premises for non-business use unless it is demonstrated to the Council's satisfaction that:

- a. the site or building is no longer suitable for its existing business use; and***
- b. that the possibility of retaining, reusing or redeveloping the site or building for similar or alternative type and size of business use has been fully explored over an appropriate period of time.***

Supporting paragraph 5.37 sets out that the Council will consider whether there is potential for that use to continue and take account various factors including:

- *the suitability of the location for any business use;*
- *whether the premises are in a reasonable condition to allow the use to continue;*
- *the range of unit sizes it provides, particularly suitability for small businesses; and*
- *whether the business use is well related to nearby land uses.*

Further guidance is contained within the Employment Sites and Business Premises Camden Planning Guidance (January 2021). Paragraph 8 recognises that not all existing employment premises will be able to offer the same standards of accommodation as new build premises and that premises that are in need of modernisation may attract smaller businesses as the condition of the premises may produce lower rents compared to new build schemes.

Paragraph 9 sets out that when a loss of employment floorspace is proposed, evidence would be sought that applicants have fully explored alternative ways to retain business use of the space (e.g. re-provision or refurbishment) and outline the reasons why this would be deemed inappropriate.

Response

The first part (Part A) of Policy E2 is to consider the suitability of the premises for office use, which is also considered against the relevant parts of the Employment CPG. Secondly, it is necessary to consider whether the premises could be used for employment purposes other than office accommodation (Part B).

Part A - Suitability for Continued Business Use

Heritage Justification

The NPPF at paragraph 197 states that in determining applications, local planning authorities should take account of the desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation.

Paragraph 199 states that when considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation (and the more important the asset, the greater the weight should be. The property is a grade II* listed property which is described as a particularly important building of "more than special interest". Historic England state that only 5.8% of listed buildings are Grade II*.

The restoration of the building back to its original residential use is considered to represent the optimum viable use of this Grade II* heritage asset. This is considered to represent a significant heritage benefit and is a use that will secure the long term future conservation of this asset and also is the most appropriate use for the building in terms of its significance as a Grade II* listed building, one that in the future will require the least changes to the building. In the planning balance, great weight should clearly be given to this.

We note the recent decision for the conversion of 38 Great James Street (application ref. 2016/5824/P) from office to residential use was supported by the Council and Historic England. The application was not supported with evidence of two years of marketing, however the officers report confirmed that "***the Council welcome, from a heritage perspective, the reinstatement of the property as a single family dwelling. Taking this into account the heritage matters above, it is considered that an exception could be made for the loss of employment floor space in support of residential use in the interests of preserving and restoring the Listed Building, and this principle is supported by the Economic Development Team and Historic England. The Council is satisfied that the details provided by the applicant, on balance, provide justification for the loss of employment floorspace, to be replaced by residential floorspace.***"

Notwithstanding an extensive marketing exercise, we request that the same exception is made for the application property given the substantial heritage benefit of returning the property to its most viable use consistent with its conservation. In any planning balance, it is the Grade II* status of the building that weighs heavily in favour of the restoration of the residential use, much more so because of its 'more than special interest' status. This heritage benefit outweighs the benefit of the loss of employment floorspace in the building.

Architectural Justification

As outlined within the submitted planning statement, as a result of the pandemic, working environments have changed to put even more pressure on the need for flexible working spaces to accommodate varying sizes of businesses. Therefore, the pressure to adapt buildings and make them more suitable and accessible for workplace expectations and technological requirements has grown. We note that Policy E1 of the Local Plan supports businesses of all sizes, in particular start-ups, small and medium-sized enterprises which the building as existing cannot cater for.

The existing office space is currently laid out in an inefficient manner due to the constraints imposed by being a Grade II* listed building that was built as a townhouse. The current layout is inappropriate for continued use as a business premises due to accessibility, technological and internal environmental conditions issues as highlighted below:

- The layout of each floor being cellular albeit open plan rooms is inefficient compared to a standard office plan, which restricts the desk layout and limits the numbers of personnel which makes the floor space more expensive
- The property has a number of small rooms, narrow circulation spaces with numerous modern partitions incorporated to provide these spaces and accompanying W.C. facilities.
- The style of office space is dictated by the character of the listed building, which cannot be changed, limits the marketability of the office space.
- the access is forever challenging, there is no level access, no lift, corridors are narrow: it is limited for offices to meet the needs of their workforce - if a worker broke their leg, they would be on sick leave for six months
- In the light of the Covid-19 pandemic employers are looking for more flexible office space with good ventilation and good areas for circulation and space.

The building is not suitable for meeting future office requirements where there will be greater expectations on accessibility, space and internal environmental conditions. Other commercial uses would not be suitable in this property without significant alterations that would be undesirable in heritage terms and preserving the special architectural and historic interest of this listed building.

In summary, the building and each floor are not adaptable to changing economic needs which is more critical than ever in the current volatile and changing commercial climate.

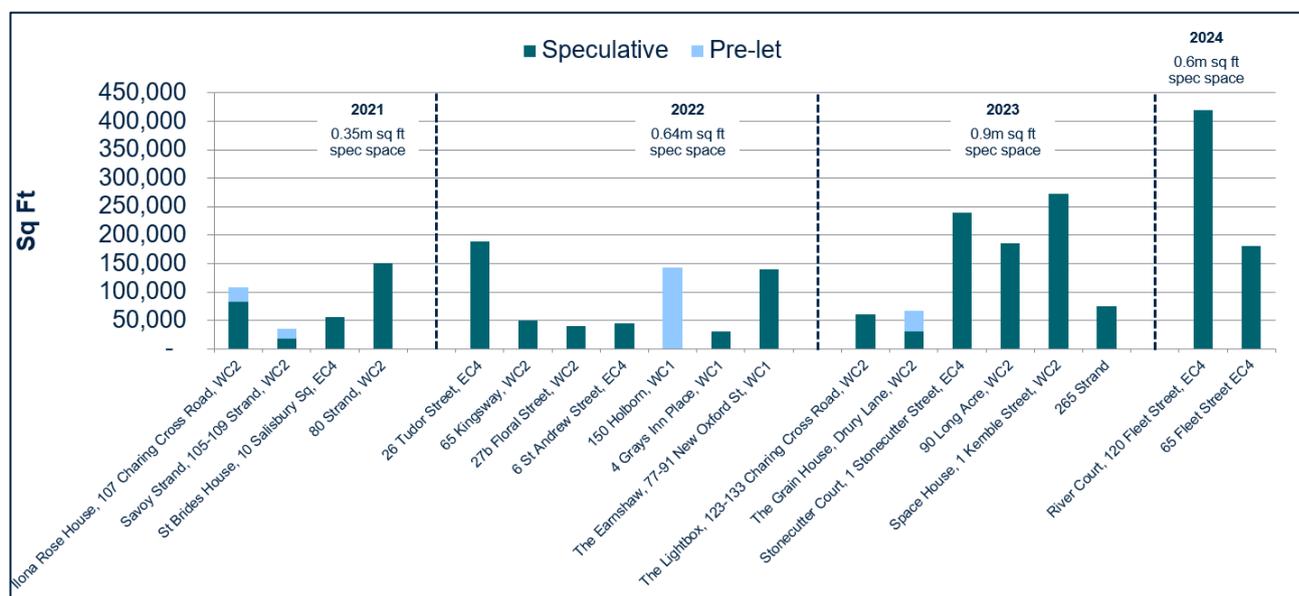
Financial constraints

The works required to make the premises lettable including repairs to the floor and the floor coverings, and all the associated finishes with this, installation of new heating and extensive lighting and power works will cost a considerable amount and these works would be without the financial guarantees that the works will have any form of payback on money invested. With no guaranteed return on money invested no investor will take any action in its current use.

Current office supply

Savills research for the Kings Cross and Euston Area confirmed that at the end of Q2 total supply stood at 372,902 sq ft, which equates to a vacancy rate of 5.8%, down 30bps from Q1 2021, but up from Q2 2020 where it stood at 4.2%. Grade A space accounts for the majority (66%) of space currently available in this sub-market.

The graph below demonstrates the Midtown Area future development pipeline which indicates there is a strong supply of new developments coming forward in the local area. It is also clear from recent major developments approved and proposed nearby that there is a significant demand for office space within newly constructed buildings. This indicates that the provision of new build modern office space is only likely to increase in the coming decades.



Source: Savills Research

Residential

The Camden Local Plan (2017) states that Camden is forecast to grow from 229,700 (in 2013) to 265,300 people by 2031. The Local Plan therefore sets out that the key priorities for delivering growth and harnessing its benefits include “**securing self-contained housing as the priority use of the Local Plan**”.

The London Plan (2021) sets out a 10 year target for net housing completions (2019/20 – 2028/29) at 10,380 that’s 1038 homes per year for the next 10 years. However, the Council published the Housing Delivery Test Action Plan in August 2021 and the document states that between 2017-2018 and 2019-2020, the Council had a requirement for 3265 new homes to be built, however, only 2568 were delivered.

Therefore, given the substantial heritage benefits of returning the property to its most viable use and also that there is a considerable supply of office floorspace in the pipeline in the local area, we consider that the conversion of this property back to its original residential use as a self-contained dwelling (in line with the priority land use of the Local Plan) is the most appropriate use for the property.

Planning History

As outlined above, a previous application (2013/3114/P and 2013/3403/L) for change of use to residential from office was granted on the 10th January 2014. The officers report which recommended approval for the 2013 application stated the following which is relevant to this application:

- *The applicant states that the plan of the property is incompatible with current B1 usage, which requires more democratic and flexible open plan spaces and a fabric that can incorporate current technology such as IT cabling and servicing, the building does not conform to accessibility regulations relating to office use*

This requirement and conflict with the current layout of the listed building remains to be true, and indeed with the recent pandemic, the need for more flexible working arrangements have become ever more of a requirement for office spaces.

- *The applicants have indicated that the building has been advertised for sale as business use for over 2 years without success and cite evidence of low demand for office space in modern buildings in the area, with properties being unlet for several years - and virtually no demand for similar sites in the area (eg Roger Street, Doughty Street and Theobald's Road.*

Please see section below for marketing evidence.

- *It is accepted that the building is only suitable for office use and would not be suitable for any alternative business use. The LDF acknowledges that the future supply of offices in the borough, particularly in Kings Cross and Euston, can meet projected demand. Policy DP13 states that when it can be demonstrated that a site is not suitable for any business use other than B1(a) offices, the Council may allow a change to permanent residential uses or community uses. Moreover, paragraph 51 of the NPPF states local planning authorities should "normally approve planning applications for change to residential use and any associated development from commercial buildings (currently in the B use classes) where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate*

The policy position has changed following the adoption of the Camden Local Plan in 2017. An assessment against Policy E2 has been set out within this letter.

This statement continues to be true with the Kings Cross and Euston Developments now being built and providing a strong supply of offices in the local area. It is our view that businesses prefer to locate to purpose built modern office buildings in comparison to the application property which requires a significant amount of work to bring it up to modern standards.

There have been further permissions for the change of use from office to residential in the local area, however the most recent at No.38 on a similar Grade II* listed property was approved on the basis that an exception could be made for the loss of employment floor space in support of residential use in the interests of preserving and restoring the Listed Building. We request that the same exception is made on this property.

- *There have been numerous recent permissions granted for similar applications in the immediate vicinity, including John Street, John Mews and Great James Street itself. All these permissions involved a change of use from office to residential. In all cases it was accepted that there was a surplus of office space in the borough, high vacancies in the area and more office space coming on line in Kings Cross and Euston. Additionally, all the sites were listed buildings dating from the 18th century that were originally residential properties and were not suitable for any alternative business use other than office.*

This statement is still true with further conversions taking place since 2013 as outlined in appendix 1 of this letter. The most recent approval at No.38 Great James Street.

As set out above, the proposals again seek to secure the long term future conservation of this asset and also the most appropriate use for the building in terms of its significance as a Grade II* listed building, one that in the future will require the least changes to the building.

Part B – Background to Marketing Evidence

Our clients are experienced in dealing with commercial property, they run an investment portfolio and are professionally qualified as surveyors and architects. The property was acquired in tandem with the neighbouring property No. 15 in 2015, at which time both properties were uninhabitable and had been out of use for some time due to decay and years of neglect through lack of capital investment.

A pre-let was found for the whole building of No 14 which was subsequently restored as offices and let on completion. The tenant occupied the entire building, however, TopHat were subject to a corporate takeover, a consequence of which was that they vacated the property in March 2019.

Following the property becoming vacant we have marketed the building widely and continue to do so. Our clients have been incredibly flexible in their approach to secure a new occupier and have been open to considering all enquires, freehold and leasehold.

Whilst the accommodation is visibly attractive it is a listed period building, originally constructed some 300 years ago. As such the office space is fragmented and laid out over 5 floors, there is no lift or disabled facilities available on the ground floor – neither is it possible to provide either, which excludes many potential occupiers from being able to consider the building at all.

The marketing has been led by Edward Charles & Partners - a firm of Chartered Surveyors devoted exclusively to Central London offices specialising in leasing, lease advisory and development consultancy. Simultaneously the property has also been marketed through Keller Williams, an internationally networked agency group. Both agents have used all of the usual promotional tools and marketing strategies utilised by agents to stimulate enquiries. The property has been significantly exposed to the local and international markets for years, to the extent that my clients believe the longevity of the marketing period has in fact rendered it to become “an old chestnut” in the eyes of the marketplace, which now positively detracts from the prospects of securing a letting or a sale in its current use.

More precise detail of the marketing strategy will be forthcoming from the agents shortly.

Summary

In light of the above, the conversion of the property would bring significant heritage benefits of re-instating the original most optimum use of the property. In our view, the building is clearly more suitable for residential use than office, and we note numerous other buildings along the street have been successfully converted back to residential use.

The substantial heritage benefit of converting the property back to its original use (as agreed on the previous application) on balance, outweighs the loss of employment use given the strong supply of office floorspace in the midtown and wider Kings Cross/ Euston Area.



If you have any queries or require any further information, please do not hesitate to contact me at the above address.

Yours sincerely,

Savills UK

Tara Kemmitt
Savills Planning

Appendix 1

No. GJS	Date	Reference	Description
39	13-02-2018	2016/5824/P	Change of use of lower ground and ground floor from office (Class B1) and upper floor residential (Class C3) to dwelling house (Class C3); Extend rearward existing lower ground floor level for the erection of a two storey rear extension; single storey wing extension at first floor level; replace rooftop structure and railings to provide main roof level terrace and green roof; Replace fenestration throughout and associated internal alterations.
40	11-07-2017	2017/1704/P	Demolition of walls and bridge area to the rear and creation of a rear courtyard area with winter garden and ground floor rear extension, creation of first floor and fourth floor terraces, external service riser, plant (condenser units) at roof level and amalgamation of second and third floor flats into a two bed self-contained flat (C3).
35	22-06-2016	2015/6812/P	Change of use from office (Class B1a) to residential dwelling (Class C3), reconstruction of single storey rear extension with roof terrace, extend the height of the rear closet wing, reinstatement of the original pitched roof, creation of a roof terrace, installation of a passenger lift and alterations to the rear and front window fenestration.
28	26-06-2015	2014/2956/P	Change of use and conversion from offices (Use Class B1) and two self-contained residential flats (Use Class C3) to provide a single-family dwelling (Class C3), including a loft conversion with two rear dormer windows, single-storey glazed ground floor rear extension, replacement windows and installation of windows on rear and side elevation of existing rear extension.
32 and 33	10-10-2014	2014/4168/P	Change of use office (Class B1) to residential (Class C3) use at ground and 1st floor levels of No.33 and 2nd and 3rd floor levels of No.32 (4 x 1 bed).
30	10-07-2014	2014/1571/P	Change of use from office (B1a) to single family dwellinghouse (C3), erection of rear extension following demolition of existing extension and installation of rear glass balustrade at 1st floor level.
15	10-01-2014	2013/3117/P	Change of use of existing office building (Class B1a) to single family dwelling (Class C3), to include the erection of a two-storey rear extension at lower ground and ground floor level with terraces at ground and first floor level following demolition of existing two storey extension, alterations to rear facade, and erection of dormer and terrace at rear roof level.
14	10-01-2014	2013/3114/P	Change of use of existing office building (Class B1a) to single family dwelling (Class C3), to include the erection of a two-storey rear extension at lower ground and ground floor level with terraces at ground and first floor level following demolition of existing two storey extension, alterations to rear facade, and erection of dormer and terrace at rear roof level.
34	26-09-2013	2013/4419/P	Change of use from offices (Class B1) at basement and ground floor level and 3x1 bed flats (Class C3) at first to third floor level, to a single dwellinghouse (Class C3), including replacement ground floor rear extension with first floor external terrace and associated works.

31	16-09-2013	2013/3492/P	Change of use from solicitor's office and (part) residential to a single dwellinghouse (Class C3) including associated external alterations and replacement of single storey rear extension.
11	28-04-2011	2010/6705/P	Revision to planning permission (ref: 2008/1141/P) granted on 31/03/2009 for the change of use and works of conversion from office use (Class B1) to residential use (Class C3) to provide two single family dwelling houses, including new part single, part two storey rear extension and balcony at first floor level. Revision comprises the retention of and alterations to existing part single, part two storey rear extension; replacement of existing brick link with glazed link; replacement of existing glazed roof area and installation of 2 rooflights at number 11.
3	04-07-2008	2007/5866/P	Change of use and works of alterations of the first floor from office use (Class B1) to create a 2 bed flat (Class C3)
36	14-03-2005	2005/0265/P	The change of use from office (Class B1) and residential use (Class C3) to a single family dwelling house (Class C3), together with associated works including the erection of a 2 storey rear extension, creation of new stairs in front area and basement opening and alterations to existing front railings.
37	06-08-2004	2004/0157/P	The change of use from office use (Class B1) to single dwelling house (Class C3).
10	22-12-2003	2003/2111/P	Change of use from office (class B1) to a single dwelling house (class C3) together with associated works of alterations, including the formation of terraces at ground and first floor levels and minor demolition to wall and steps at the rear.
9	08-02-2000	PS9805027	Change of use from office to a single dwelling with associated office space.