

London Borough of Camden
Planning and Borough Development
5 Pancras Square
London
N1C 4AG

FAO: David Fowler

Our ref: LJW/HBR/EBH/U0018233

Your ref: PP-11014352

24 February 2022

Dear Sir / Madam

**Units 5a, 5b, 6 & 7, The Post Building, 21-31 New Oxford Street, Camden, London, WC1A 1BA
Town and Country Planning Act 1990 (as amended)
Application for Full Planning Permission**

On behalf of our client, Pontegadea (the 'Applicant') we enclose an application for the change of use of units 5a-b, 6 & 7 at basement, ground and mezzanine levels at 21-31 New Oxford Street ('the Site') from flexible retail/restaurant use (Class A1/A3) for use by Sandbox VR as an immersive virtual reality experience (Sui Generis).

As such planning permission is sought for:

"Change of use of basement, ground and mezzanine level from flexible retail/restaurant (Class A1/A3) use for use by Sandbox VR as an immersive virtual reality experience (Sui Generis)."

The Site

The Site is located on High Holborn, with a small amount of frontage along Museum Street. The units to which this application relates form part of the Post Building which was granted planning permission for remodelling and refurbishment in 2015. The units are split across basement, ground and mezzanine level.

The Site falls between Tottenham Court Road and Holborn underground stations but is a short walk from Covent Garden to the south and the British Museum to the north.

The Site falls within Camden's designated Central London Area and within the Tottenham Court Road Growth Area. However, it is not located within a Town Centre.

Background and Planning History

Planning permission (ref. 2014/5946/P) was granted on 30 March 2015 for the remodelling, refurbishment and extension of the previous Post Building at 21-31 New Oxford Street, to provide a new public roof terrace, private terraces, winter gardens, roof top plant and new entrances in connection with the change of use of the building to offices (Class B1), retail/restaurant/doctors' surgery uses (Class A1/A3/D1) and 21 affordable housing units (Class C3) along with associated highway, landscaping and public realm improvements.

The development is now complete, and the upper-level office spaces of the development are fully occupied by Nationwide (Floors part 0 to 4), McKinsey & Co (Floors part 6 to 11) and Rothesay Life (Floors 5 and part 6).

The basement, ground and mezzanine levels of the building were granted a flexible retail/restaurant/doctors' surgery use (Class A1/A3/D1) as part of the 2015 planning permission. The doctor's surgery use was removed, with agreement from the Council and in accordance with the Section 106 agreement, as no demand for the unit from the NHS/CCG was found to exist. The lawful use of this space then became flexible retail/restaurant (A1/A3).

The basement, ground and mezzanine levels of the Post Building are split into 11 principal 'active' units. The lawful use of these active units as granted within the 2015 planning permission and how that compares to the current position (following several application submissions) is set out in the table below:

Unit Number	Unit Size (sq.m)	2015 PP Lawful Use	Current Lawful Use (historic use classes)	Occupier	Planning History
1	511.3	Flexible retail/restaurant (A1/A3)	Flexible retail/restaurant (A1/A3)	Currently vacant but discussions ongoing	None
2	279.6	Flexible retail/restaurant (A1/A3)	Bank (Class A2)	Nationwide	Change of use from flexible retail/restaurant (A1/A3) to bank (Class A2) for use by Nationwide (ref. 2019/5072/P)
3	197.2	Flexible retail/restaurant (A1/A3)	Office (Class B1)	Nationwide	Change of use from flexible retail/restaurant (A1/A3) to ancillary office (Class B1) for emergency generator/plant associated with Nationwide occupation (ref. 2019/5072/P)
4	783.7	Flexible retail/restaurant (A1/A3)	Gym (Class D2)	1Rebel	Change of use from flexible retail/restaurant (A1/A3) to gym (Class D2) for use by 1Rebel (ref. 2018/5150/P)
5a	77.4	Small independent retail flexible A1/A3	Flexible A1/A3	Vacant	Deed of variation to Section 106 for the amalgamation of unit 5a and 5b for occupation by Scandikitchen (offer fell through)

5b	72.5	Small independent retail flexible A1/A3	Flexible A1/A3	Vacant	Deed of variation to Section 106 for the amalgamation of unit 5a and 5b for occupation by Scandikitchen (offer fell through)
5c	63.6	Small independent retail flexible A1/A3	Small independent retail flexible A1/A3	Currently vacant but shortly to be occupied by Sessions an incubator space for new restaurant concepts	None
5d	56.0	Small independent retail flexible A1/A3	Small independent retail flexible A1/A3	Currently vacant but shortly to be occupied by Sessions an incubator space for new restaurant concepts	None
5e	55.2	Small independent retail flexible A1/A3	Gym (Class D2)	1Rebel	Change of use from flexible retail/restaurant (A1/A3) to gym (Class D2) for use by 1Rebel (ref. 2018/5150/P)
6	429.4	Doctors' surgery (D1)	Flexible retail/restaurant (A1/A3)	Vacant	Use reverted to flexible retail/restaurant (A1/A3) as per Section 106, when it was shown no demand existed for the facility
7	403.9	Flexible retail/restaurant (A1/A3)	Flexible retail/restaurant (A1/A3)	Vacant	None

Marketing of Units

Since our client, Pontegadea, purchased the Post Building in December 2019, they have struggled with the letting of the remaining vacant basement, ground and mezzanine units fronting High Holborn (Units 5a-5b, 6 and 7), for their permitted configuration and land uses (flexible retail restaurant A1/A3).

There are significant issues with the vacancy of retail units across Central London, which were prevalent even before the Covid pandemic. Since December 2019, the units within the Post Building have been actively marketed, initially by CBRE and Cushman & Wakefield, and then subsequently by Cushman & Wakefield and Bruce Gillingham Pollard (BGP).

Whilst the pandemic has had a significant effect on the letting of the Post Building retail units, which has suffered due to the lack of office workers during the week and lack of tourists visiting the British Museum and local theatres at the weekends, there is a distinct lack of independent operators acquiring new sites in the area due to both a lack of funding and certainty in the market. This has been exacerbated by delays to the opening of Crossrail at Tottenham Court Rail station.

Generally, the Post Building is considered by potential occupiers to be an unestablished and secondary retail location in contrast to some better-known shopping destinations locally, and as such carries significantly greater risk as a potential location to occupy. It is also the case that there is a significant amount of availability across London, resulting in lower possible rents, in better known areas (including close to the Post Building) and in some cases units already being fitted out and ready for hand over. There is also generally less demand from restaurateurs and A1 grab and go concepts than before the pandemic.

As such, there has been a distinct lack of interest and offers from Class A1/A3 users in the permitted configuration as well as in an amalgamated/larger unit format. This is set out within the enclosed Marketing Report prepared by Cushman and Wakefield.

Proposals

Accordingly, and on the basis of the above, our client is seeking a change of use of Units 5a, 5b, 6 and 7 from a flexible retail/restaurant (Class A1/A3) use to a Sui Generis use to allow occupation by Sandbox VR as a virtual reality immersive experience. The change of use relates to Units 5a, 5b, 6 and 7 and it is proposed that Sandbox VR would occupy the basement, ground and mezzanine levels of these units.

This would be Sandbox VR's first premises in the UK, with their current successful operations in the US, Canada, Singapore, and Hong Kong. Sandbox is a futuristic virtual reality experience for groups up to 6, where you can see and physically interact with everyone on the inside, just like the real world. You can choose from a selection of experiences, for example, entering the world of Star Trek to complete a mission aboard the USS Discovery Spaceship, to becoming your own pirate in Curse of the Davy Jones and hunt for lost treasure. It is proposed there would also be a bar within Sandbox's space, serving drinks to those using the immersive VR experience. The relevant licences have been obtained.

Sandbox are a unique occupier, and accordingly it is expected that the use will draw people to the area, which will increase footfall in the locality, benefiting nearby businesses. Visitor numbers are estimated to be 250 per day and 1,750 per week. The proposed opening hours are Monday-Thursday 11:00-23:30 / Friday & Saturday 10:30-00:00 / Sunday 10:30-22:00. In regard to servicing and waste, Sandbox will utilise the existing facilities within the Post Building.

The proposals would lead to the following changes in use of area (GIA sqm) at the site:

Land Use	Existing (GIA, sqm)	Proposed (GIA, sqm)	Uplift (GIA, sqm)
Flexible Class A1/A3	983.2	0	0
Sui Generis	0	983.2	0
Total	983.2	983.2	0

Sandbox are proposing four projecting signs, two on High Holborn and two on Museum Street. The signage will be in the same format as the active units within the wider building. As the signage proposals conform with the approved signage strategy for the building, it is understood that advertisement consent is not required.

The proposals are not CIL liable as they do not create any gross internal uplift in floorspace, nor do they introduce a new residential (Class C3) floorspace at the unit.

Planning Policy Context

Section 38(6) of the Planning and Compulsory Purchase Act (2004) requires proposals to be determined in accordance with the statutory development plan unless material considerations indicate otherwise. The statutory development plan consists of:

- i. The London Plan (2021), being the Spatial Development Strategy for Greater London; and
- ii. Camden Local Plan (2017), Site Allocations Document (2013) and Proposals Map.

Planning Assessment

Land Use – Loss of flexible Class A1/A3 floorspace

Policy TC3 of the Local Plan, which was adopted in June 2017, sets out the Council's position in relation to shops outside of town centres. The policy states that **"the council will only grant planning permission for loss of a shop outside designated centres provided:**

- a) **alternative provision is available within 5-10 minutes' walking distance;**
- b) **there is clear evidence that the current use is not viable; and**
- c) **within the Central London Area, the development positively contributes to local character, function, viability and amenity".**

The lawful use of the Site, as granted by the 2015 planning permission, is flexible Class A1/A3 use. This space is proposed to be converted into Sui Generis entertainment use as part of this proposal.

Given that the Site is located within Camden's Central London Area, it sits in close proximity to a number of high-profile central London shopping destinations including Tottenham Court Road / New Oxford Street, and High Holborn / Kingsway. These areas provide some of the best shopping facilities in London, thus sufficient alternative provision is available within 5-10 minutes' walk of the site.

To address part b, the flexible Class A1/A3 floorspace approved under planning permission ref: 2014/5946/P, dated 30 March 2015, has never been operated as flexible Class A1/A3 use and been vacant since the building was constructed. Additionally, the building that existed prior to the current development contained no retail floorspace and as such, all the retail/restaurant floorspace that formed part of the 2015 permission was uplift. Notwithstanding this, this application is accompanied by a detailed marketing report prepared by Cushman and Wakefield which demonstrates the difficulties that our client has faced with the letting of the units for their permitted uses.

With regards to part c of Policy TC3, the introduction of the proposed Sui Generis Use is considered to improve the contribution that these units can make to the local character, function and viability of the area. The proposed use will result in the occupation of the units which have been vacant since the building's remodelling and refurbishment, bringing forward an entertainment use to cater for local workers, residents and tourists. As mentioned earlier the visitor numbers generated by the occupier will further benefit surrounding facilities through increased footfall. The proposals will ensure that an active frontage to the unit is maintained.

Land Use – Proposed Sui Generis Use

The proposed use of the Site is for a Virtual Reality immersive experience. In terms of the proposed land use the key matter for consideration is the introduction of a new leisure / entertainment use in the form of virtual reality immersive experience at the site.

Local Plan Policy E1 states 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, in particular recognising the importance of employment generating uses, such as leisure and tourism. Local Plan Policy E3 further recognises the importance of the visitor economy in Camden and supports tourism development and visitor accommodation, noting the growth area of Tottenham Court Road as an anticipated location. The proposed leisure / entertainment (Sui Generis) use would attract local worker and residents, Londoners, families, and tourists to the area, therefore promoting Camden's visitor economy. The policy (E3) also states that **all tourism development and visitor accommodation must:**

- f) be easily reached by public transport;**
- g) provide any necessary pickup and set down points for private hire cars and coaches and provide taxi ranks and coach parking where necessary;**
- h) not harm the balance and mix of uses in the area, local character, residential amenity, services for the local community, the environment or transport systems; and**
- i) not lead to the loss of permanent residential accommodation.**

The units are located a 4-minute walk from Holborn Underground Tube Station and 7-minutes from Tottenham Court Road Tube Station. Additionally, the New Oxford Street High Holborn Bus Stop is located across the road, servicing a number of day and night bus routes. The proposals do not include the provision of any pick-up or drop-off points and there will be no loss of any permanent residential accommodation. The proposals will have no detrimental impact on residential amenity with closing hours appropriate in accordance with the Site's Central London Area designation. Due to the unique nature of the occupier, and the Sui Generis use sought as part of this planning application, we would propose that any planning permission is made personal to Sandbox with the lawful use of the units reverting to Class E (or historic Class A1/A3) upon them vacating the space.

Summary

The introduction of the Sui Generis use will contribute to the local character, function and viability of the area, with alternative shopping provision available within 5-10 minutes walking. The units have never been occupied as their permitted flexible Class A1/A3 use and clear marketing evidence has been provided to show the difficulties faced in letting to these types of occupiers. As such, the conversion of the units from retail/restaurant to a Sui Generis Use for occupation by Sandbox VR immersive reality experience is deemed acceptable.

Application Documentation

In line with Camden's validation requirements, this application for planning permission has been submitted via the planning portal (ref. PP-11014352), along with the following documentation:

- Completed application form and certificate information, prepared by Gerald Eve LLP;
- Completed CIL Form, prepared by Gerald Eve LLP;
- Site Location Plan (showing the site outlined in red and applicant ownership in blue) at a scale of 1:1250 and a Site Plan at a scale of 1:500, prepared by KMB Construction Consultants;
- Existing and Proposed floor plans (basement, ground and mezzanine), prepared by Russell Sage Studio;

- Marketing Report prepared by Cushman and Wakefield; and
- Operational Management Plan, prepared by Sandbox.

The proposals will result in the need to remove the small independent retail requirement from the Section 106 Agreement. Accordingly, we would appreciate if officers could confirm Camden's solicitor who will be taking this forward so that we can liaise with them regarding the Deed of Variation required.

[REDACTED]

We trust you have the necessary information required to validate this application and look forward to receiving confirmation of registration and subsequent validation in due course.

In the meantime, should you have any questions or concerns, please contact Hannah Bryant [REDACTED] or Esmee Bryson-Harris [REDACTED] of this office.

Yours faithfully,

[REDACTED]

Gerald Eve LLP

[REDACTED]