

Date
29 December 2022

Mr J Lawlor
London Borough of Camden 2nd Floor, 5
Pancras Square
c/o Town Hall, Judd Street
London
WC1H 9JE

Via Email Only

Dear Josh,

3-5 Bedford Row, London, WC1R 4BU
Planning Application Ref. 2022/4518/P
Listed Building Consent Ref. 2022/4750/L

Please find enclosed the further information requested in association with the off- site housing assessment.

We confirm that consideration was given to the locational requirements specified by the Housing CPG and comprised the area of the Borough south of Euston Road.

It assessed properties being sold on a freehold, or long leasehold basis (ie. the investment market) as a pre-requisite to be able to deliver permanent residential accommodation.

At the request of officers, the assessment has considered all properties up to 1,000sqm registered on various information sources as on the market, comprising Costar, other web- sites and the Agents Society together with the market knowledge of Daniel Watney's investment team. Screenshots taken from Costar are included within the appendices, as requested evidence of the assessment's coverage.

The assessment is re-provided at Appendix A. 34 buildings are included, which is a further expansion to cover all commercial properties including retail and hotel not just office, even though the conversion of such to housing would lead to the loss of other important CAZ uses subject to protection in the Local Plan, and the latest properties shown on Costar. The assessment illustrates the difficulty in finding an available and suitable site to provide off- site housing within an immediate time frame. Viability would additionally need to be considered in the context of unprecedented cost inflation particularly, which would be a further constraint and magnify any compromise in residential quality.

The fundamental objective of this project, which should hold great weight, is that 3-5 Bedford Row is a listed building that has been vacant for 2 years and the application is an opportunity to secure its future as an office without delay. The scheme will deliver other heritage and sustainability benefits through details of design and will provide for new jobs and economic benefit both through construction and end use in the near term. Even if any of the sites within this assessment were available and suitable for off- site housing, the uncertain, complicated, and protracted nature of the acquisition process, requiring agreement with a third party, investor funds, viability, and due diligence, then planning application and delivery would be contrary to those aims.

Instead, a financial contribution in lieu related to the full shortfall in market housing, for the Council to spend on its priorities such as its affordable housing programme, will allow this to happen and is the most appropriate method for securing compliance with Policy H2.

Yours sincerely,

A handwritten signature in black ink that reads "Daniel Watney". The signature is written in a cursive, flowing style.

Daniel Watney LLP

Appendix A: Schedule of Sites

Sites Discounted at Time of Submission of Planning Application	
9 Bedford Row	917sqm, significantly above the floorspace target (approaching tripple). Available freehold at £5,400,000. A change of use to housing would lead to a net reduction in office floorspace across the two sites. The building is grade II* listed, retaining many original features internally. Mixed- use would need to work around these features and would likely be just as inefficient as has been demonstrated for the application site. It would also be a disproportionately large financial investment.
28-28A Hatton Garden	913sqm, significantly above the floorspace target (approaching tripple). Available freehold at £8,000.000. A change of use to housing would lead to a net reduction in office floorspace across the two sites. Creating a mixed- use building would likely be challenging through space constraints, as the building is narrow with retail at ground floor level that would need to be retained, limiting the ability for separate access/ cores particularly. Within Hatton Garden where policy E2 explicitly resists loss of employment to non-employment premises from this location. It would also be a disproportionately large financial investment.
41-43 Saffron HI	163sqm (1,758sqft) freehold for £1,300,000 over ground and lower ground, below the floorspace target and let until August 2024 and therefore not immediately available with vacant possession.
4 Tavistock PI	This has been withdrawn from the market. 615sqm, significantly above the floorspace target (just under double). Was on the market for £8,250,000 which would have been a disproportionately large financial investment.
8-8A Guilford St	This has been withdrawn from the market. 501sqm GIA freehold, for £3,250,000 grade II listed building, above the floorspace target by 42%.
34 Bloomsbury Way	Several offers received, and freehold under offer for £3,300,000. 336sqm over basement, ground and 3 upper storeys. Over 50% of the building's space, that over basement and ground, likley unsuitable for residential due to limited light, characterful shop frontage design likely protected within the Bloomsbury Conservation Area, frontage immediately on to busy commercial street and forming part of a row of retail/restaurants. Conversion of the upper loors (each with only 2 rooms) would be less than 50% of the target area, necessitate creation of/redevelopment for a mixed use building. Satisfying design policies, together with separate fire and plant requirements would further compromise the area available. It would be disproportionately complicated and expensive and be unlikely to deliver high priority residential units (2 and 3 bed).
21 John St	139sqm (1,500 sqft) fully fitted ground floor office suite within wider commercial base/plinth of grade II listed building. Vendor is seeking a letting in the first instance, for an office occupier. Only 40% of the floorspace target, with no opportunity for extension. Irregular and difficult configuration, office floorspace above, adjoining a pub within the same building which may cause noise and disturbance, and leading on to the building's communal courtyard bike and refuse stores, all of which would compromising quality. Mixed use, including commerical use of the building's lower floors referenced as part of the building's historic significance within the listing description, and retention of office has previously been viewed as important by the Council in heritage terms.
32 Bedford Row	266sqm long leasehold interest. Conversion to residential prohibited in the lease being sold. it is not known if a lease re- negotiation would be achievable or feasible; and such a process would be disproportionately complicated and expensive.

1 Rosebery Avenue	369sqm freehold over lower ground and upper ground. There is a use restriction within the lease limiting use of the building to office, meaning that a linked change of use to housing would not be possible. Further, it is not known if a lease re- negotiation would be achievable or feasible; and such a process would be disproportionately complicated and expensive.
87 Chancery Lane	478sqm GIA multi let office building, above the floorspace criteria, with four tenants in situ with leases up to 2027. It would not be feasible therefore to deliver vacant possession within the necessary timeframe.
57 Farringdon Road	This has been sold. 640sqm, freehold. This was significantly above floorspace criteria (approaching double).
44 Bedford Row	258sqm ground floor office suite only within larger building. Under offer and conversion to residential prohibited in the lease being sold.
43-49 Parker Street	89 to 509sqm. Under offer. Newly developed commercial unit over basement, ground and first floor with double height glazed frontage within Covent Garden; unsuitable for residential conversion.
28-30 Theobalds Road	292sqm ground floor and lower ground floor, previously office and restaurant for which it is best suited. Under offer.
43 Leather Lane	301sqm freehold. This site has been sold.
100-110 High Holborn	10,683sqm (115,000 sqft), very significantly over the floorspace target.
91-94 Saffron Hill	1,502sqm (16,177sqft), very significantly over the floorspace target (approaching five times) with tenants until 2024 and 2031.
16 Laystall Street	1,747sqm (18,811sqft), very significantly over the floorspace target, multi- let with an average lease term unexpired of 2.60 years.
12-18 Theobalds Road	1,580sqm (17,010sqft) office, very significantly over the floorspace target and let until 2037.
14 Bedord Row	1,501sqm (16,167 sq ft), very significantly over the floorspace target.
6 Omega Place	Outside of the Borough boundary.
Additional sites referred to on Costar screenshots	
14-16 Leather Ln	This freehold has been sold. 162sqm. 93sqm retail unit with a parade of shops below the floorspace target, is let for a 10 year period and is a protected use being in Hatton Garden within designated retail frontage. Mix of office and residential above, with part of office let until September 2023 and not available therefore with vacant possession.
97 Leather Ln	93sqm, retail unit over basement and ground floor with a parade of shops, term 'negotiable', currently let on a licence agreement. Below the floorspace target, unsuitable for residential and a protected use being in Hatton Garden within designated retail frontage.
9 St Cross St	Under offer. 234sqm GIA freehold with consent for 20sqm extension, on the market for £1,500,000. Below the floorspace target, within designated shopping frontage of Hatton Garden necessitating retail use over basement and ground floor equating to circa 50% of area. The feasibility of creating separate access to and accommodating fire and plant requirements for the

	upper floors, and their impact on the residual area available, likely to be challenging.
10 Warner St	Agent has confirmed that the size of the property is 862sqm rather than 318sqm quoted on Costar, which is significantly above the floorspace target (approaching 3 times) and would be disproportionately large. The agent has also confirmed that the property is to let only and it would not therefore be possible to deliver permanent residential accommodation.
61 Tottenham Court Rd	197sqm, which is below the floorspace target, over basement, ground and 3 upper storeys. Basement and ground floor (55% of floorspace) let for retail until 2027 and a lease within an upper floor to December 2023, therefore immediate vacant possession could not be achieved of the residual area. Planning history indicates Camden considers lawful use of the upper floors already to be residential.
Wakefield Street, Montague House	919sqm contemporary, new build office, significantly above the floorspace target (approaching tripple). Let therefore not available with vacant possession. Exchanged on sale.
57 Gower St	This is a 15 bedroom (276sqm) hotel on the market for £2,750,000. Policy E3 protects the visitor accommodation.
63 Gower St	This has been sold. At 566sqm the property is significantly above the floorspace target, and is a hotel. Policy E3 protects the visitor accommodation.
65-67 Gower St	This has been withdrawn from the market. It was on the market for £5,250,000 which would be a disproportionately large financial investment. At 500sqm this property is significantly above the floorspace target and was for sale as a hotel. Policy E3 also protects the visitor accommodation.
69 Gower St	At 604sqm this property is significantly above the floorspace target (approaching double) and is for sale as a hotel at £1,850,000. Policy E3 protects the hotel accommodation. The long leasehold being sold also only has 52 years remaining and is therefore unsuitable for conversion to residential.
Guilford Pl	74.5sqm retail property (E Class) for sale however, it is let on a 15 year lease from November 2018 and it is not therefore available with vacant possession. The property is also significantly below the floorspace target.
11-12 Grenville St	E Class unit of 32.5sqm being marketed as an office condo, which would be below the minimum size for a single studio.
294 Grays Inn Rd	148sqm long leasehold, E Class unit within a row of independent shops, comprising ground and lower ground floor being marketed as office, although suitable for retail. Policy TC5 encourages occupation by independent businesses and states the Council will resist the loss of shop premises. The basement has limited natural light and would likely be unsuitable for residential. The ground floor would also be unsuitable for residential given its shop front design which may be protected within the Bloomsbury Conservation Area and its immediate frontage on to a busy road. The floorspace is below the floorspace target with no opportunity for extension.

Appendix B: Screenshots from Costar

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Location

Polygon

Radius

Travel

Corridor

Layers

Map

SearchLocation

PrimaryBuildingLoanTenantsCapitalContactsDemographicsLast Sale

Property TypeProperty Size

SelectUp to 10K SF

Tenure

☒ Freehold☒ Long Leasehold

CoStar Rating

☆☆☆☆☆

Construction Status

☐ Existing☐ Under Construction☐ Under Renovation☐ Demolished☐ Converted☐ Proposed☐ Final Planning☐ Deferred☐ Abandoned

Sale PriceSale Price/SF

£ Min£ Max£ Min£ Max

☐ Include Undisclosed Sale Price

NI YieldDays On Market

Min %Max %MinMax

Sale Type

InvestmentOwner User

Sale Status

☐ Active☐ In Exchange

Show CriteriaClearDone

Address	City	Sale Status	Sale Category	Property Type	Size (SF)	Sale Price	Price/SF	Sale Type	Number Of Stories	Built	Submarket	Postcode
34 Bloomsbury Way	London	Active	Property Sale	Office	2,809	3,000,000	1,068.00	Investment or Owner User		5	1890 Bloomsbury	WC1A 2SA
21 John St	London	Active	Condo Sale	Office	1,500			Investment		8	1937 Bloomsbury	WC1N 2BL
97 Leather Ln	London	Active	Property Sale	Retail	1,008	800,000	793.65	Investment or Owner User		6	1880 Camden	EC1N 7TS
Wakefield St	London	Active	Property Sale	Office	9,895			Investment or Owner User		1	2020 Bloomsbury	WC1N 1PG
28-28A Hatton Garden	London	Active	Property Sale	Office	9,810	8,000,000	815.49	Investment		5	1930 Clerkenwell	EC1N 8DB
4 Tavistock Pl	London	Active	Property Sale	Office	6,619	8,250,000	1,246.41	Investment or Owner User		6	1826 Bloomsbury	WC1H 9RA
69 Gower St	London	Active	Property Sale	Hospitality	6,500	1,850,000	284.62	Investment		3	1790 Bloomsbury/Covent Garden/Soho	WC1E 6HJ
63 Gower St	London	Active	Property Sale	Hospitality	6,093	2,250,000	369.28	Investment		5	1820 Bloomsbury/Covent Garden/Soho	WC1E 6HJ
65-67 Gower St	London	Active	Property Sale	Hospitality	5,390	5,250,000	974.03	Investment		5	1786 Bloomsbury/Covent Garden/Soho	WC1E 6HJ
8-8A Guilford St	London	Active	Property Sale	Office	4,037	3,250,000	805.05	Investment or Owner User		5	1850 Bloomsbury	WC1N 1DA
10 Warner St	London	Active	Condo Sale	Light industrial	3,426	1,800,000	525.39	Owner User		5	1910 Camden	EC1R 5HA
57 Gower St	London	Active	Property Sale	Hospitality	2,980	2,750,000	922.82	Investment		3	1820 Bloomsbury/Covent Garden/Soho	WC1E 6HJ
32 Bedford Row	London	Active	Property Sale	Office	2,743	2,500,000	911.41	Investment		5	1753 Bloomsbury	WC1R 4HE
61 Tottenham Court Rd	London	Active	Property Sale	Retail	2,121			Investment		5	1892 Camden	W1T 2EP
9 St Cross St	London	Under offer	Property Sale	Office	1,930	1,500,000	777.20	Investment		5	1950 Clerkenwell	EC1N 8UB
41-43 Saffron Hl	London	Active	Property Sale	Office	1,758	1,300,000	739.48	Investment		6	1996 Clerkenwell	EC1N 8FH
14-16 Leather Ln	London	Active	Property Sale	Retail	1,749	3,400,000	1,943.97	Investment		5	1939 Camden	EC1N 7SU
294 Grays Inn Rd	London	Active	Property Sale	Retail	1,601	860,000	537.16	Owner User		4	1954 Camden	WC1X 8DX
Guilford Pl	London	Active	Property Sale	Retail	802	800,000	997.51	Investment		1	1900 Camden	WC1N 1EA
11-12 Grenville St	London	Active	Condo Sale	Office	350	180,000	514.29	Investment		5	1910 Bloomsbury	WC1N 1LZ