

Address:	125 Shaftesbury Avenue London WC2H 8AD		3
Application Number:	2024/5408/P	Officer: David Fowler	
Ward:	Holborn and Covent Garden		
Date Received:	03/12/2024		

Proposal: Remodelling, refurbishment and extension of the existing building to provide Use Class E commercial and retail space, amenity terraces, a new public route, relocated entrances, cycle parking, servicing and rooftop plant along with associated highway, landscaping and public realm improvements and other associated works.

Background Papers, Supporting Documents and Drawing Numbers:

Existing plans
125SA-DSD-ZZ-00-DR-A-10020; 125SA-DSD-ZZ-00-DR-A-10021; 125SA-DSD-ZZ-B1-DR-A-10099; 125SA-DSD-ZZ-B1-DR-A-10099M; 125SA-DSD-ZZ-00-DR-A-10000; 125SA-DSD-ZZ-00-DR-A-10000M; 125SA-DSD-ZZ-01-DR-A-10001; 125SA-DSD-ZZ-02-DR-A-10002; 125SA-DSD-ZZ-03-DR-A-10003; 125SA-DSD-ZZ-04-DR-A-10004; 125SA-DSD-ZZ-05-DR-A-10005; 125SA-DSD-ZZ-06-DR-A-10006; 125SA-DSD-ZZ-07-DR-A-10007; 125SA-DSD-ZZ-08-DR-A-10008; 125SA-DSD-ZZ-09-DR-A-10009; 125SA-DSD-ZZ-10-DR-A-10010; 125SA-DSD-ZZ-RF-DR-A-10011; 125SA-DSD-ZZ-ZZ-DR-A-23001; 125SA-DSD-ZZ-ZZ-DR-A-23002; 125SA-DSD-ZZ-ZZ-DR-A-23003; 125SA-DSD-ZZ-ZZ-DR-A-24001; 125SA-DSD-ZZ-ZZ-DR-A-24002; 125SA-DSD-ZZ-ZZ-DR-A-24003; 125SA-DSD-ZZ-ZZ-DR-A-24004.

Demolition plans
125SA-DSD-ZZ-B1-DR-A-11099; 125SA-DSD-ZZ-B1-DR-A-11099M; 125SA-DSD-ZZ-00-DR-A-11000; 125SA-DSD-ZZ-00-DR-A-11000M; 125SA-DSD-ZZ-01-DR-A-11001; 125SA-DSD-ZZ-02-DR-A-11002; 125SA-DSD-ZZ-03-DR-A-11003; 125SA-DSD-ZZ-04-DR-A-11004; 125SA-DSD-ZZ-05-DR-A-11005; 125SA-DSD-ZZ-06-DR-A-11006; 125SA-DSD-ZZ-07-DR-A-11007; 125SA-DSD-ZZ-08-DR-A-11008; 125SA-DSD-ZZ-09-DR-A-11009; 125SA-DSD-ZZ-10-DR-A-11010; 125SA-DSD-ZZ-RF-DR-A-11011; 125SA-DSD-ZZ-ZZ-DR-A-23101; 125SA-DSD-ZZ-ZZ-DR-A-23102; 125SA-DSD-ZZ-ZZ-DR-A-23103; 125SA-DSD-ZZ-ZZ-DR-A-24101; 125SA-DSD-ZZ-ZZ-DR-A-24102; 125SA-DSD-ZZ-ZZ-DR-A-24103; 125SA-DSD-ZZ-ZZ-DR-A-24104

Proposed plans
125SA-DSD-ZZ-B1-DR-A-20118; 125SA-DSD-ZZ-00-DR-A-20120; 125SA-DSD-ZZ-01-DR-A-20121; 125SA-DSD-ZZ-02-DR-A-20122; 125SA-DSD-ZZ-03-DR-A-20123; 125SA-DSD-ZZ-04-DR-A-20124; 125SA-DSD-ZZ-05-DR-A-20125; 125SA-DSD-ZZ-06-DR-A-20126; 125SA-DSD-ZZ-07-DR-A-20127; 125SA-DSD-ZZ-08-DR-A-20128; 125SA-DSD-ZZ-09-DR-A-20129; 125SA-DSD-ZZ-10-DR-A-20130; 125SA-DSD-ZZ-11-DR-A-20131; 125SA-DSD-ZZ-12-DR-A-20132; 125SA-DSD-ZZ-RF-DR-A-20133; 125SA-DSD-ZZ-00-DR-A-20143; 125SA-DSD-ZZ-02-DR-A-20145; 125SA-DSD-ZZ-03-DR-A-20146; 125SA-DSD-ZZ-04-DR-A-20147; 125SA-DSD-ZZ-05-DR-A-20148; 125SA-DSD-ZZ-06-DR-A-20149; 125SA-DSD-ZZ-07-DR-A-20150; 125SA-DSD-ZZ-08-DR-A-20151; 125SA-DSD-ZZ-09-DR-A-20152; 125SA-DSD-ZZ-10-DR-A-20153; 125SA-DSD-ZZ-11-DR-A-20154;

125SA-DSD-ZZ-12-DR-A-20155; 125SA-DSD-ZZ-RF-DR-A-20156; 125SA-DSD-ZZ-ZZ-DR-A-23101; 125SA-DSD-ZZ-ZZ-DR-A-24101; 125SA-DSD-ZZ-ZZ-DR-A-24102 Rev P02; 125SA-DSD-ZZ-ZZ-DR-A-24103 Rev P02; 125SA-DSD-ZZ-ZZ-DR-A-24104.

Documents:

Cover letter (prepared by Gerald Eve dated 29 November 2024); Town Planning Statement (prepared by Gerald Eve LLP dated November 2024); Daylight and Sunlight Assessment (prepared by GIA dated November 2024); Noise Impact Assessment Report (prepared by Hann Tucker dated 29 November 2024); Air Quality and Air Quality Neutral Assessment (prepared by TetraTech dated 28 November 2024); Arboricultural Impact Assessment (prepared by Tree:Fabrik dated November 2024); Archaeological Assessment (prepared by MOLA dated November 2024); Biodiversity Report (prepared by Greengage dated November 2024); Circular Economy Statement (prepared by SWECO Sustainability dated November 2024); Delivery and Servicing Management Plan (prepared by Waterman dated November 2024); Design and Access Statement (prepared by DSDHA dated November 2024); Employment and Skills Strategy (prepared by Ekosgen dated November 2024); Energy and Sustainability Statement (prepared by SWECO Sustainability dated November 2024); Fire Statement (prepared by The Fire Surgery dated November 2024); Flood Risk Assessment (prepared by AKT II dated November 2024); Health Impact Assessment (prepared by Ekosgen dated November 2024); Heritage, Townscape and Visual Impact Assessment (prepared by The Townscape Consultancy dated November 2024); Housing Study (prepared by DSDHA dated November 2024); Operational Waste Management Strategy (prepared by Waterman dated November 2024); Pre-Demolition Audit (prepared by Material Index dated November 2024); Preliminary Ecological Appraisal / Ecology Study (prepared by Greenage dated November 2024); Preliminary Environmental Risk Assessment (prepared by Waterman dated November 2024); Regeneration Statement (prepared by Ekosgen dated November 2024); Security Needs and Crime Impact Assessment (prepared by QCIC Group dated November 2024); Statement of Community Involvement (prepared by Kanda dated November 2024); Structural Statement (prepared by AKT II dated November 2024); Transport Assessment (prepared by Waterman dated November 2024); Whole Life Carbon Assessment (prepared by SWECO Sustainability dated November 2024); GLA Spreadsheet (submitted via email 13.02.2025); Retail Areas Comparison (prepared by DSDHA submitted via email 05.03.2025); Updated Areas Letter (prepared by Newmark submitted via email 05.03.2025); Public Realm Landscape DAS Addendum (prepared by DSDHA submitted via email 05.03.2025); Daylight and Sunlight Overshadowing Assessment (prepared by GIA dated 18 March 2025); Daylight and Sunlight Transient Overshadowing Assessment (prepared by GIA dated 08 January 2025); Use of Terraces by Occupiers (prepared by DSDHA dated March 2025); Response to Public Comments (prepared by Newmark dated 02 April 2025); Design and Access Statement – Addendum (prepared by DSDHA dated March 2025).

RECOMMENDATION SUMMARY: Grant conditional planning permission subject to Section 106 Legal Agreement	
Applicant:	Agent:
Edge & Mitsubishi Estate London Limited	Anna Gargan Newmark (formerly known as Gerald Eve) 72 Welbeck Street London W1G 0AY

ANALYSIS INFORMATION

Land Use Details:			
	Use Class	Use Description	Floorspace (GIA sqm)
Existing	Class E office		18,113
	Class E retail/food and drink (including drycleaners – sui generis)		4,750
	TOTAL		22,863
Proposed	Class E office		32,435
	Class E retail/food and drink		862
	TOTAL		33,297 (Uplift 10,434 sqm)

Parking Details:		
	Parking Spaces (General)	Parking Spaces (Disabled)
Existing	21	0
Proposed	0	0

OFFICERS' REPORT

Reason for Referral to Committee:

(i) Major development where this involves the construction, extension or conversion of floorspace for more than 1000 sq. mtrs of non-residential floorspace; and

(iv) which involve the making of an obligation or agreement under Section 106 of the Town and Country Planning Act 1990 or other legislation (“the obligation”) that secures more than £50,000 of financial contributions or other public benefits of estimated equivalent capital value.

EXECUTIVE SUMMARY

- i) The existing building is a vacant office building built in the late 1970's/early 80's, with retail at ground floor level. The building has frontages on Shaftesbury Avenue, Charing Cross Road, Phoenix Gardens and Phoenix Street. It is not listed and is not in a conservation area, but there are heritage assets in the area; these include the Seven Dials and Denmark Street Conservation Areas in Camden closely bordering the site, Soho Conservation Area in Westminster, and the Grade II Listed Savile Theatre at 135 Shaftesbury Avenue. The site is within the Central London Area where growth is expected to happen.
- ii) The application is to retain the office use (as well as ground floor retail) and to extend the building outwards, filling in the open courtyard areas, and extending upwards. The majority of the existing building structure would be retained under the proposals.
- iii) There was a previous application on this site, “the 2018 scheme” (see ‘History’) to extend the building for office purposes. However, this was never implemented and has now expired.
- iv) The significant increase in employment floorspace is welcomed and supported by planning policy as is bringing a vacant building back into use. No housing would be provided on-site (as per the previous application) and no donor sites have been identified for off-site housing. A payment in lieu of on-site housing of £3,912,750 has been negotiated, which equates to 50% of the full policy H2 compliant amount, whilst it is disappointing that the full affordable housing payment is not being made, taking account of the viability circumstances of the scheme, as we are required to do by policy, officers consider that this is a good offer.
- v) The development has been carefully modulated and the facades treated to respect and respond to its differing contexts and would not cause harm to the setting of the surrounding heritage assets.
- vi) This proposal delivers a high-quality, contextual design that significantly improves the existing building through a retention-focused approach, minimising carbon impact and maximising reuse. The enhanced ground floor, featuring a new pedestrian route and re-design, elevates the pedestrian experience and enhances

security. New façades, employing quality materials and intricate detailing, respond to local character, while taller upper storeys are carefully designed to respect views and heritage assets. Driven by sustainability objectives, the design targets low carbon emissions, adaptable structures, and encourages sustainable transport.

- vii) The scheme would deliver substantial land use, employment and economic benefits, including a significant payment towards housing and the public realm. The design of the building extensions and alterations is considered to represent high-quality architecture. The public realm improvements, especially the reinstated route, are also substantial benefits. Landscaping improvements are also proposed around the building which will create a much more inviting and welcoming environment. Taking account of the policies of the development plan and all material planning considerations, including the representations made by local residents, the proposals are considered acceptable. There would be no harm to heritage assets. Given the public benefits of the proposals, it is recommended that planning permission be granted.

1 SITE

- 1.1 The application site covers an area of 0.35 hectares. It is occupied by a large office building comprising 22,863sqm over 10 storeys, with some retail at ground floor. The existing office accommodation is vacant, except for a 'meanwhile use' on a number of floors – see 'History'. Originally constructed as a telephone exchange, the building is not well-suited for modern office occupiers, given the core and floorplate configuration. The site includes Caxton Walk on its western side which is a pedestrian area but not a through-route. The site also includes an area of private open space in its northern corner. Central London Frontages cover the Charing Cross Road and Shaftesbury Avenue ground floor parts of the site. The site is within an Archaeological Priority Area. There are no listed buildings on the site and it is not within a conservation area.
- 1.2 The application site is bounded by Shaftesbury Avenue to the south-east, the rear of properties facing Shaftesbury Avenue, Cambridge Circus and Charing Cross Road to the south, Charing Cross Road to the west, Phoenix Street to the north-west, Stacey Street with Phoenix Gardens beyond and also New Compton Street to the north-east. Charing Cross Road forms the boundary with the City of Westminster.

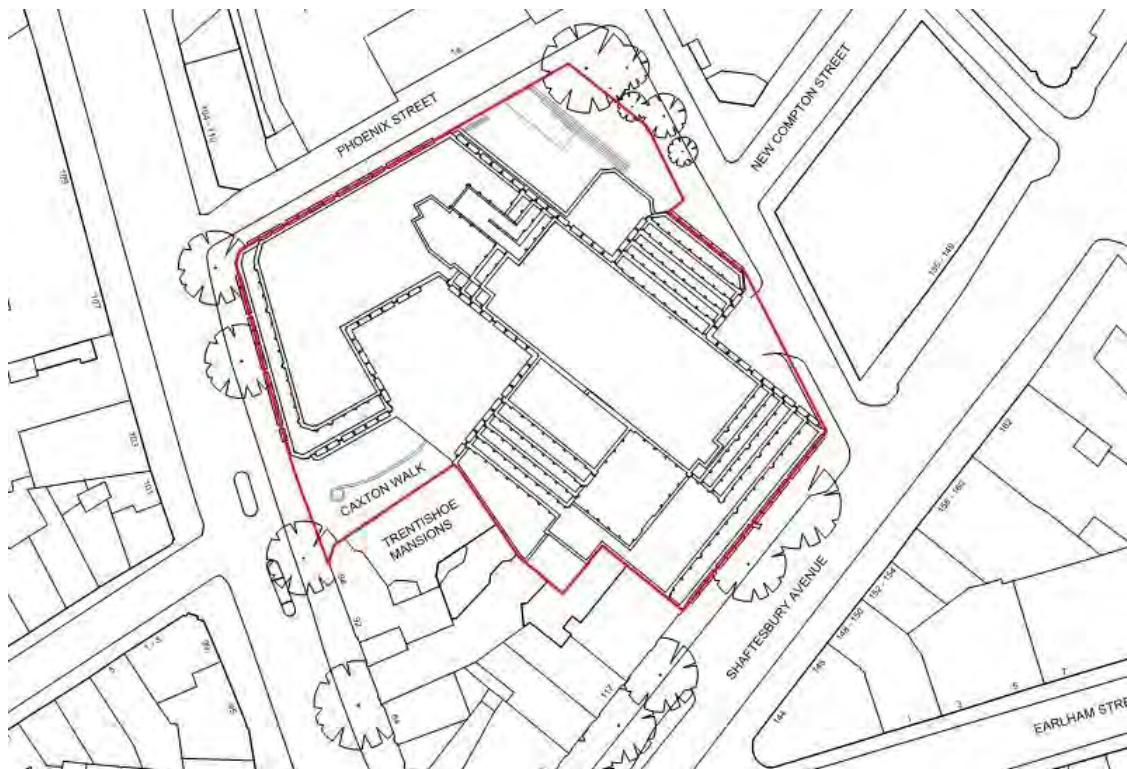


Figure 1 – Existing site plan

- 1.3 The site lies within the Central Activities Zone (CAZ) and the Knowledge Quarter. The listed buildings which would be affected by the proposal are the Phoenix Theatre to the north of the site which is grade II listed and the former Saville Theatre to the east at 135 Shaftesbury Avenue, which was last used as an Odeon Cinema, also grade II listed. Other listed buildings surround the site. These are shown in Figure 2 below.

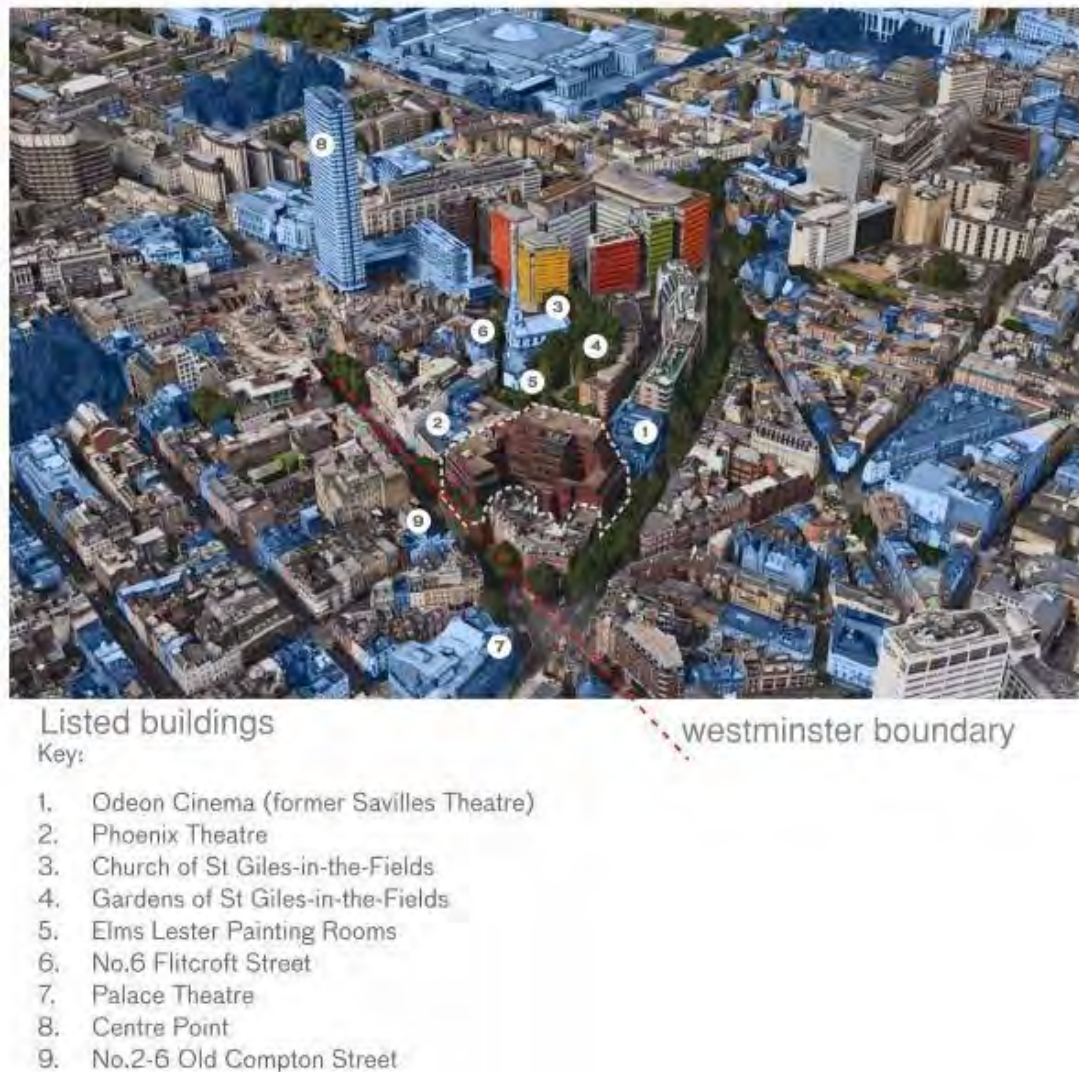


Figure 2. showing listed buildings surrounding the site

- 1.4 The Seven Dials Conservation Area adjoins the site to the south-east (on the other side of Shaftesbury Avenue). The Denmark Street Conservation Area is located to the north of the site (on the other side of Phoenix Street). The Soho Conservation Area is located to the west (on the other side of Charing Cross Road), within the City of Westminster. Phoenix Community Garden is located to the north-east and is designated as Public Open Space and a SINC (Site of Importance for Nature Conservation). Figure 3 (below) shows the Conservation Areas which surround the site

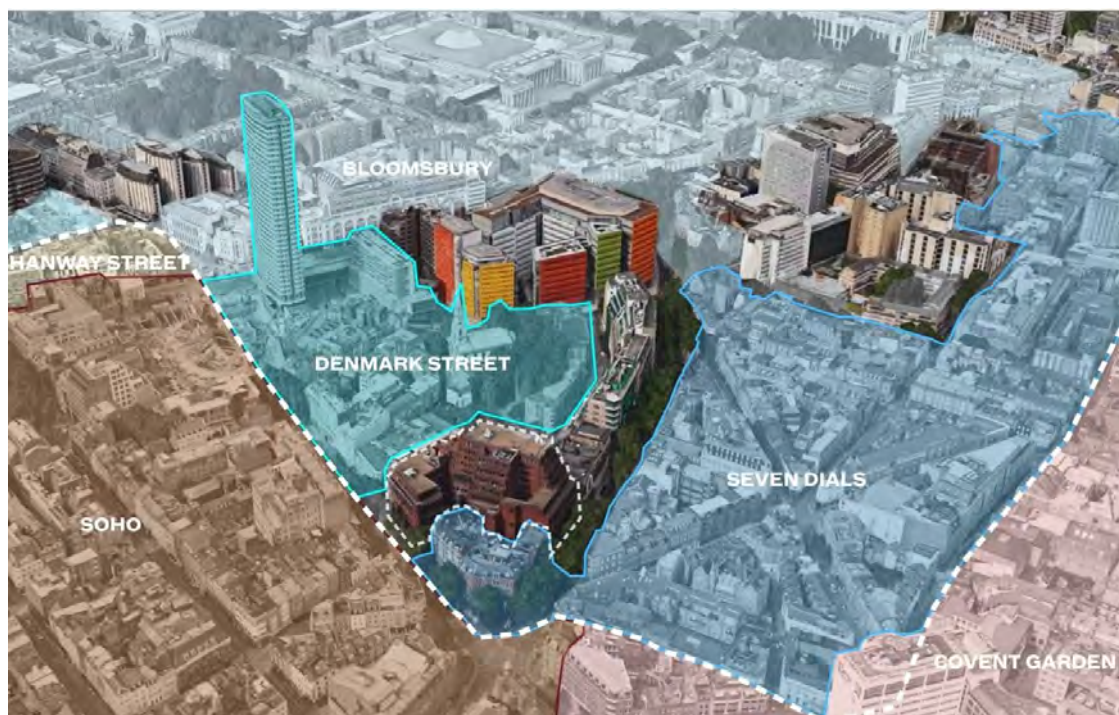


Figure 3. Conservation Areas in the vicinity

- 1.5 The surrounding area is largely commercial in character with offices, retail, and numerous West End entertainment uses such as bars, restaurants, theatres and a cinema predominating. However immediately to the north a quieter enclave exists around Phoenix Gardens with residential uses and the backs of larger commercial properties facing onto it.
- 1.6 The application building is by far the highest in the immediate vicinity which is generally by buildings around 4-8 storeys in height. It is visually prominent from the surrounding area, particularly from Cambridge Circus to the front and Phoenix Gardens to the rear.
- 1.7 The site has a Public Transport Accessibility Level (PTAL) of 6b (Excellent), which is the highest. The site is close to Tottenham Court Road, Leicester Square and Covent Garden Underground Stations and is served by numerous bus services.

2 THE PROPOSAL

- 2.1 Under the proposals, the frame of the existing office building would be retained and the building would be remodelled, with a new façade, refurbished and extended at the upper floor levels, roof level and within the existing lightwells. The existing building has a total floor area of 22,863sqm. The previous scheme approved on this site (2016/5202/P – see ‘History’) proposed a floor area of 30,912sqm. The current proposals have a floor area of 33,297 – an increase of 2,385sqm on the previous scheme. The existing 11-storey building was approved under the previous scheme for an extension up to a 12-storey height. The new proposals would give it 13 storeys and increased new-build floorspace but retaining more of the existing structural frame than previously and introducing a lower-carbon façade.

- 22 There would be an uplift of 10,434sqm additional floorspace (GIA) and an additional 8.07m in height to the existing building, although the tallest elements would be set back. For the purpose of comparison, the previously approved proposal was 5.8m taller in height than the existing building and provided an uplift of 8,139sqm of additional floorspace (GIA).

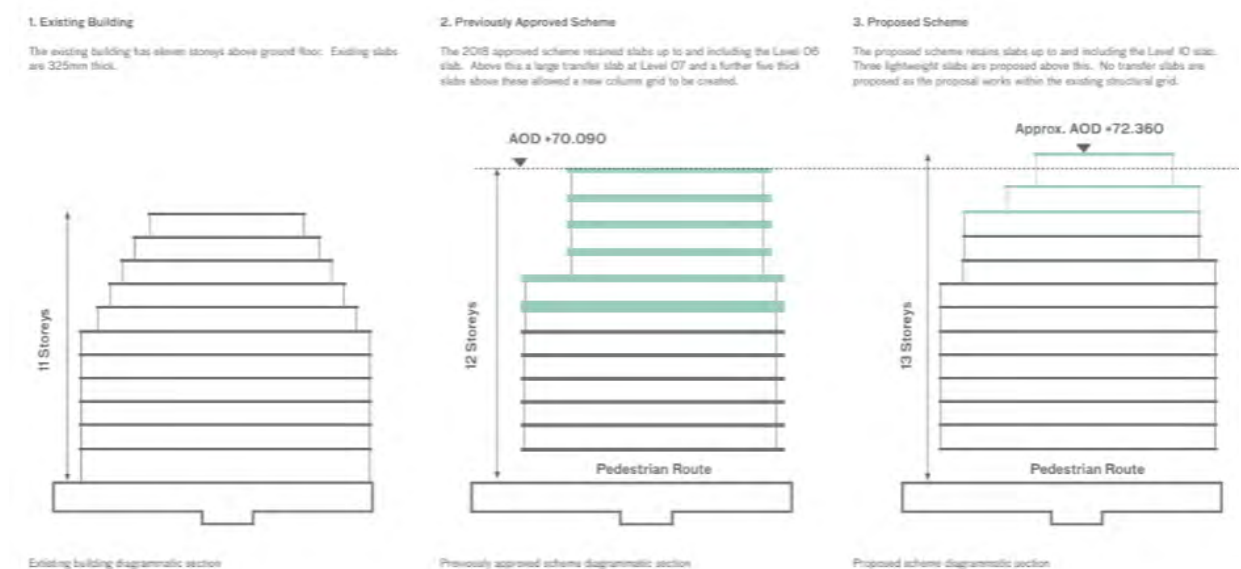


Figure 4 – Cross-section of existing, previously approved and proposed building

- 23 The proposed development can be summarized as follows:
- Extending floorplates from 6th to 10th floor levels, plus addition of roof top extensions of 2-storeys providing new 11th and 12th floor level.
 - Partial demolition (mainly internally) and reconfiguration.
 - Infill of courtyards.
 - Provision of 32,435sqm of office use (Class E) (uplift of 14,322sqm)
 - Provision of 862sqm of flexible retail uses (Class E) (reduction of 3,888sqm).
 - Net uplift of 10,434sqm floorspace GIA.
 - Amenity terraces for the offices would be provided at each level.
 - A new public route at ground floor level would be provided which would connect Caxton Walk and New Compton Street.
 - Relocated office entrance from Shaftesbury Avenue to Charing Cross Road.
 - Rooftop plant.
 - Associated highway, landscaping and public realm improvements.



Figure 5 – Proposed site plan

- 24 All of the proposed works are limited to within the site boundary. The applicant has produced some images showing highways works, which are for indicative purposes only and should not be considered as part of this application.

Revisions during the course of the application

- 25 Changes were made to the proposals during the course of the application, in response to Historic England's concerns - Specifically, there were worries that a height change at the corner of Shaftesbury Avenue and Stacey Street would not properly reflect the corner feature of the original Shaftesbury Avenue elevation. To address these concerns, a cornice feature was introduced above the sixth level on both Shaftesbury Avenue and Stacey Street, creating a clear horizontal line on the street elevation. Additionally, the height of the glazing on the seventh level was reduced on both elevations to accommodate the new, deeper cornice. These modifications were intended to enhance the façade of the Shaftesbury Avenue elevation, making it more in line with the upper levels and the existing context.

3 RELEVANT HISTORY

The site

- 3.1 03/05/1978 – Permission granted for existing building “*The area shown on the site plan submitted, including 125-133 Shaftesbury Avenue and land at rear, 6 and 7 New Compton Street, 96-102 Charing Cross Road, the existing car park site to the north of New Compton Street and on either side of Stacey Street and*

part of the playground in the curtilage of St Giles in the Fields.” P13/36X/A/26208.

- 32 14/05/1986 – Permission granted for Unit 5 of 125 Shaftesbury Avenue for “*Use as a dry cleaners.*” 8600609.
- 33 14/03/2002 – Permission granted for “*The refurbishment of the existing ground floor offices including the provision of full height glazing and a stainless steel canopy.*” PSX0204122.
- 34 27/10/2016 – “*Request for EIA Screening Opinion in relation to emerging development for the remodelling, refurbishment and extension of existing office building (Class B1) at upper floor levels, roof level and within lightwells to provide and flexible retail uses (Classes A1/A3), along with associated highway, landscaping and public realm improvements*” – EIA not required. 2016/3808/P.
- 35 22/05/2018 – Permission granted for “*Remodelling, refurbishment and extension of existing office building (Class B1) at upper floor levels, roof level and within lightwells to provide 9,682sqm additional floorspace, including terraces, a new public route, a relocated office entrance (Charing Cross Road), rooftop plant and flexible retail uses (Classes A1/A3), along with associated highway, landscaping and public realm improvements.*” 2016/5202/P.
- 36 15/07/2024 – Permission granted for “*Use of the existing ground floor entrance, first to fourth floors and ninth floor of 125 Shaftesbury Avenue as immersive theatre space, and ancillary events space (sui generis) for a temporary period between 1 September 2024 to 30 September 2025.*” (You Me Bum Bum Train) 2024/1444/P.
- 37 There have also been numerous applications over the years for air conditioning plant, satellite dishes, telecoms equipment and shopfronts.

Neighbouring sites

- 38 Application pending decision – Former Odeon Cinema/Saville Theatre, 135-149 Shaftesbury Avenue “*Part demolition, restoration and refurbishment of the existing Grade II listed building, roof extension, and excavation of basement space, to provide a theatre at lower levels, with ancillary restaurant / bar space (Sui Generis) at ground floor level; and hotel (Class C1) at upper levels; provision of ancillary cycle parking, servicing and rooftop plant, and other associated works.*” 2024/0993/P.
- 39 Application pending decision (with a resolution to grant from the Planning Committee on 27th Feb 2025) – 151 Shaftesbury Avenue “*Refurbishment of existing building; demolition of existing rooftop plant level and replacement with two new setback floors at levels 8-9 (Class E(g)(i)); partial infill extensions to rear of building at levels 5-8; partial change of use at ground and lower ground floor level for use as either bar/drinking establishment (Sui Generis) and/or Commercial, Business & Service uses (Class E); retention of existing Commercial, Business & Service (Class E) floorspace elsewhere in the building; replacement of existing facades and provision of cycle parking and associated*

end of trip facilities at lower ground floor level.” 2024/2450/P.

4 CONSULTATION SUMMARY

- 4.1 **Historic England** – No objection. The amendments to massing at the upper levels on Shaftesbury Avenue satisfactorily address previous concerns about harm to Seven Dials Conservation Area and the former Saville Theatre. Historic England's original comments strongly criticized the proposed Shaftesbury Avenue elevation for introducing "novel harm" to heritage assets through a composition lacking contextual justification and creating an unbalanced, stepped façade unsuitable for the principal street. After amendments, HE acknowledged improvements like the legible shoulder and cornice, which helpfully lighten the appearance of these storeys with a language more aligned with that elsewhere at upper levels, although noting that a more holistic reconsideration of the upper levels could have been further beneficial.

Officer response: No further upper-level changes to the building massing were made because the existing structural grid strongly influenced the building's form, making significant alterations disruptive to the established architectural expression.

- 4.2 **GLAAS (Greater London Archaeological Advisory Service)** – Unlikely to have a significant effect on heritage assets of archaeological interest.
- 4.3 **London Underground Lines (LUL)** – No objection subject to condition regarding design and method statements to mitigate the increased loading on LUL underground infrastructure.
- 4.4 **Thames Water** – No objection.
- 4.5 **City of Westminster** – No comment.
- 4.6 **Bloomsbury Conservation Area Advisory Committee** – **object on the following grounds:**
- Echo Historic England's concerns regarding the extra height and facade treatment on Shaftesbury Avenue.
 - Concern about overall increase in height and bulk, impact on long views from conservation areas such as view from Cambridge Circus, could be mitigated by lighter colours.

Officer's response: See officer response to Historic England comments above. In relation to second point, the proposed building architecture uses a light-coloured reconstituted stone and brass-coloured metal fins and columns, aiming to mitigate the perceived increase in height and bulk in long views. This lighter palette for the distinctly articulated upper element is intended to reduce its visual impact, particularly from sensitive viewpoints like Cambridge Circus.

- 4.7 **Transport for London (TfL)** – **No objection**
- The proposal to remove basement ramp and car parking is welcome, also the provision of cycle parking in accord with London Plan standards noting that

short stay may need to be provided within the public realm next to the site.

- The new pedestrian link through the building between Old Compton Street and New Compton Street should accord with guidance in the Public London Charter.
- The approach to servicing and delivery looks acceptable to TfL.
- The draft Construction Management Plan is welcome. However further information should be included on number of vehicles and more details of the swept paths on and off of Shaftesbury Avenue. TfL recommends Silver or Gold members of Freight Operators Recognition Scheme to be used for deliveries and only qualified traffic marshalls. Also with existing constraints (trees, oversailing canopy) need to be carefully considered in terms of visibility at the junction and impact on pedestrian flows when designing hoardings.
- The CMP submitted for 135 Shaftesbury Avenue (next door to 125), proposes qualified Traffic Marshalls on New Compton Street and Stacey Street, to ensure vehicles exit safely onto Shaftesbury Avenue. If these developments construction programmes overlap they need to co-ordinate their construction activity to avoid conflicts and minimise impact.

Officer's response: The CMP related issues will be addressed as part of the consultation process for the final CMP

Adjoining Occupiers

- 4.8 A site notice was displayed from the 6th December until the 30th December 2024. A press advert was published on the 12th December 2024 in the Camden New Journal. 8 letters of representation (5 objections and 3 supports) were submitted which are summarized below.

Representations summary

- 4.9 5 objections were received from neighbouring residents, including from the following addresses:
- New Compton Street
 - Phoenix Street
 - Trentishoe Mansions

Amenity impact

- Use of office terraces/outdoor spaces should be restricted to no later than 21.00 Monday to Saturday.
- What licensing will be issued for the terraces?
- Noise/music on terraces should be restricted.
- Overlooking from the terraces.
- Step back at the top of the building should be increased to avoid overshadowing.
- Loss of light to Phoenix House.
- Should be bins for rubbish from cafes/restaurants.
- Loss of view.
- Concerns that semi-industrial workshop may occupy the space

Officer's response: See sections on Impact on neighbouring amenity, the use of terraces is limited by condition, the overshadowing has been independently assessed, officers consider the impacts acceptable, any cafes/restaurants will have their own refuse storage, loss of view is not a planning consideration, Class E does not allow for semi-industrial uses.

Safety and security

- There should be no new seating on Stacey Street as this is a hotspot for drug-taking and anti-social behavior.
- There should be 24 hour security and CCTV - especially on Caxton Walk and Stacey Street.
- Reinstated Little Compton Street should be closed off at night for security reasons.
- Development should help reduce anti-social behavior.

Officer's response: The situation with regards anti-social behaviour would be improved under the proposals with better natural surveillance, CCTV and lighting, the passageway will be kept open as this encourages movement and natural surveillance. Should there be anti-social behavioral problems associated with the passageway in the future then it would be possible to revisit the decision and decide whether access should be restricted, but as a starting position we would like to ensure maximum permeability and use of the space by residents, workers and visitors to the area.

Conservation and design

- Need clarity on the colour of the proposed building

Officer's response: See response to CAAC comments above and sections on Conservation and Design.

Land use

- Should be independent shops

Officer's response: Planning has control over land use not occupiers of buildings. The applicant has advised that it is intended that some of the existing occupiers return, but as yet they do not have occupiers for the other units.

Affordable workspace

- Would be hugely beneficial for local people.
- Concerns affordable workspace would be 'tick box'.

Officer's response: See section on Land use.

Transport

- More deliveries, increase in traffic, servicing should be restricted to 09.00-17.00 Monday to Friday & 09.00-12.00 Saturday.
- Should be provision for E-bikes.
- Request for parking space for tradespeople.

Officer's response: See Transport section.

Open space/landscaping

- Need more greenery and planting, should be outdoor space to sit.
- Too many hard surfaces.

Officer's response: See section on Landscaping and trees.

4.10 3 letters of support was received from You Me Bum Bum Train (YMBBT) (see 'History'), Bow Arts and Central District Alliance on the following grounds:

- Building has been vacant for years.
- Applicant has allowed creative, theatre and charitable meanwhile uses in the building.
- Applicant have engaged with the local community.
- Significant economic, environmental and historic opportunity for the area.
- Proposed new route would reconnect streets, public realm enhancements.
- Will reduce anti-social behavior.
- Active frontages.
- Welcome employment floorspace.

5 POLICIES AND GUIDANCE

5.1 National Planning Policy Framework 2024

5.2 NPPG

5.3 The London Plan 2021

- GG2 Making the best use of land
- GG4 Delivering the homes Londoners need
- GG5 Growing a good economy
- SD4 The Central Activities Zone
- SD5 Offices, other strategic functions and residential development in the CAZ
- D2 Infrastructure requirements for sustainable densities
- D3 Optimising site capacity through the design led approach
- D4 Delivering good design
- D5 Inclusive design
- D8 Public realm
- D12 Fire safety
- D14 Noise
- H1 Increasing housing supply
- H4 Delivering affordable housing
- E1 Offices
- E2 Providing suitable business space
- E3 Affordable workspace
- E9 Retail, market and hot food takeaways
- E11 Skills and opportunities for all
- HC1 Heritage conservation and growth
- HC3 Strategic and local views
- G4 Open space
- G5 Urban greening
- G6 Biodiversity and access to nature
- G7 Trees and woodland
- SI1 Improving air quality
- SI2 Minimising greenhouse gas emissions
- SI3 Energy infrastructure
- SI4 Managing heat risk
- SI5 Water infrastructure
- SI6 Digital connectivity infrastructure
- SI7 Reducing waste and supporting the circular economy
- SI12 Flood risk management
- SI13 Sustainable drainage
- T1 Strategic approach to transport
- T3 Transport capacity, connectivity and safeguarding

- T4 Assessing and mitigating transport impacts
- T5 Cycling
- T6 Car parking
- T7 Deliveries, servicing and construction
- T9 Funding transport infrastructure through planning
- FF1 Delivery of the plan and planning obligations

54 **Mayor's Supplementary Planning Guidance**

55 **Camden Local Plan (2017)**

- Policy G1 Delivery and location of growth
- Policy H2 Maximising the supply of self-contained housing from mixed-use schemes
- Policy H4 Maximising the supply of affordable housing
- Policy C4 Safety and security
- Policy C5 Access for all
- Policy A1 Managing the impact of development
- Policy A2 Provision and enhancement of open space
- Policy A3 Protection, enhancement and management of biodiversity
- Policy A4 Noise and vibration
- Policy D1 Design
- Policy D2 Heritage
- Policy CC1 Climate change mitigation
- Policy CC2 Adapting to climate change
- Policy CC3 Water and flooding
- Policy CC4 Air quality
- Policy CC5 Waste
- Policy TC2 Camden's Centres and other shopping areas
- Policy T1 Prioritising walking, cycling and public transport
- Policy T2 Car-free development and limiting the availability of parking
- Policy T3 Improving strategic transport infrastructure
- Policy T4 Promoting the sustainable movement of goods and materials

56 **Draft Camden Local Plan January 2024**

The council published a new Draft Camden Local Plan (incorporating Site Allocations) for consultation in January 2024. Responses to the consultation and a Submission Draft Camden Local Plan (updated to take account of the responses) was reported to Cabinet on 2 April 2025 and the Council on 7 April 2025. The Council resolved to agree the Submission Draft Local Plan for publication and submission to the government for examination (following a further period of consultation). The Submission Draft is a significant material consideration in the determination of planning applications but has limited weight at this stage. The weight that can be given to it will increase as it progresses towards adoption (anticipated 2026).

57 **Supplementary Planning Guidance**

- Access for all
- Air quality
- Amenity
- Basements
- Biodiversity
- Design
- Employment sites and business premises
- Energy efficiency and adaptation
- Housing
- Planning for health and wellbeing
- Public open space
- Transport
- Trees
- Water and flooding

5.8 Camden Planning Statement on the Intermediate Housing Strategy and First Homes (March 2022)

ASSESSMENT

The principal considerations material to the determination of this application are considered in the following sections of this report:

6	Land use <ul style="list-style-type: none">- Introduction- Existing office accommodation- Increase in office floorspace- Mixed use policy and residential use- Viability and affordable housing- Class E retail use- Conclusion; land use
7	Conservation <ul style="list-style-type: none">- Conservation and heritage assets- Setting of Conservation Areas- Setting of listed buildings- Conclusion; conservation
8	Design <ul style="list-style-type: none">- Policy review- Existing building- Proposal synopsis- Enhanced accessibility and frontage- Reinstated pedestrian link- Scale and massing- Detailing – enhanced contextual elevations- Contextual responses on Charing Cross Road and Stacey Street- Upper level articulation and green integration- Materials- Conclusion
9	Landscaping, open space, biodiversity and trees <ul style="list-style-type: none">- Policy review- Designations- Landscaping and public realm- Biodiversity Net Gain and Biodiversity- Impact on nearby open space (Phoenix Gardens)- Proposed through route- Trees- Conclusion
10	Impact on neighbouring amenity <ul style="list-style-type: none">- Policy review- Daylight and sunlight- Overshadowing of Phoenix Gardens- Overlooking- Noise and disturbance- Conclusion

11	Air quality
12	Sustainable design and construction <ul style="list-style-type: none"> - Introduction and policy review - The site and the proposal - Redevelopment strategy - Energy and carbon reductions - Total carbon reductions - Climate change adaptation and sustainable design - Conclusion
13	Flood risk and drainage
14	Accessibility
15	Transport <ul style="list-style-type: none"> - Policy review - Site location and access to public transport - Trip generation - Travel planning - Access and permeability - Cycle parking - Car parking and vehicle access - Construction management - Deliveries and servicing - Highway works - Public realm enhancements - Pedestrian, Cycling and Environmental Improvements - Micro and shared mobility improvements -
16	Safety and security
17	Refuse and recycling
18	Fire safety
19	Employment and training opportunities
20	Planning obligations
21	Mayor of London's Crossrail CIL

22	Camden CIL
23	Conclusion
24	Recommendations
25	Legal comments
26	Conditions
27	Informatives

6 Land use

6.1 The principal land use considerations are as follows:

- Introduction
- Existing office accommodation
- Increase in office floorspace
- Mixed use policy and residential use
- Viability and affordable housing
- Class E retail use
- Conclusion

Introduction

6.2 Under the proposals there would be an uplift in office floorspace and a reduction in retail floorspace, as per the table below.

Land Use Details:			
	Use Class	Use Description	Floorspace (GIA sqm)
Existing	Class E office		18,113
	Class E retail/food and drink (including drycleaners – sui generis)		4,750
	TOTAL		22,863
Proposed	Class E office		32,435
	Class E retail/food and drink		862
	TOTAL		33,297

Existing office accommodation

6.3 The existing building was granted permission in 1978 and the office accommodation therefore dates from the late 1970s/early 1980s. The existing accommodation is not well-suited to modern office needs in terms of plan form and flexibility.

Increase in office floorspace

6.4 Camden Local Plan policy E1 seeks to secure a successful and inclusive economy and encourages economic growth. Policy E2 encourages the provision of employment premises and sites. London Plan policy SD4 supports the enhancement and intensification of offices, to meet demand for a range of types and sizes of occupier and rental values, especially in the CAZ.

6.5 Under the proposals there would be an increase in office use from 18,113sqm to 32,435 (an increase of 14,322sqm). The applicant estimates that the proposal would provide an additional 2,165 jobs on site.

6.6 The above policies support the provision of office use, provided other priority uses are provided such as housing (see 'Mixed use policy and residential use' section below). The proposed increase in office use is welcomed. The above policies require new employment space to be suitable for a range of business types and sizes including new businesses and small/medium enterprises (SME's).

- 6.7 Whilst the majority of the existing floorspace has recently been occupied, it is acknowledged that the premises could be made more suitable for modern office needs, the building is far from ideal for modern demands for flexibility in terms of its planform and specification. The Council's Inclusive Economy section confirm that there is demand for high-spec offices in Central London. The proposed office floorspace would be flexible and more suitable for SME's.
- 6.8 415sqm of affordable workspace would be provided at ground floor level, facing on to the public realm and the new through route. This space would have a 40% reduction on market rents for a period of ten years. The applicant intends to target arts/creative users first and foremost for this space. The provision of the affordable workspace would be secured by S106 legal agreement.
- 6.9 Given the significant employment benefits and the above obligations, the proposed increase in office use is welcomed, subject to the mixed-use policy discussed below.

Mixed use policy and residential use

Introduction

- 6.10 Residential use is the Council's priority land use. This is reflected in local plan policy. Policy H1 of the London Plan sets housing targets for local authorities in London, for Camden the target is 1038 per year for the 10 year period. In order to ensure that housing targets are met Policy H1 states that boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites through development plans and planning decisions. Policy H2 which relates to mixed use development, seeks to ensure that housing forms a component of all schemes which result in an uplift in commercial floorspace of more than 200sqm (GIA). Policy H2 is triggered by this development proposal.
- 6.11 Policy H2 requires 50% of all additional floorspace to be residential in the Central London Area. The site is within the Central London Area. Policy H2 requires housing on-site first and foremost, particularly where more than 1000sqm of additional floorspace is proposed. If it is demonstrated that this cannot be achieved, taking account of the criteria in (a) to (e) which include site constraints, the efficiency and economics of providing a mix of uses, then the applicant should provide housing off-site on a donor site. In exceptional circumstances, where the applicant does not have and cannot find a donor site, a payment-in-lieu is required. Policy H2 requires the submission of a Financial Viability Assessment (FVA) where a scheme is not providing a full amount of housing/financial contribution, in line with this policy. Camden Local Plan policies H4, H6, H7 and Camden Planning Guidance 2 (Housing) are all also relevant with regard to the provision of housing, including affordable housing.
- 6.12 Under the proposals there would be an uplift of 10,434sqm (GIA).
- 6.13 Following discussion with Council officers, the applicant proposes an off-site financial contribution (payment-in-lieu, or 'PIL') as opposed to on-site provision or off-site provision (in terms of floorspace). The applicant is proposing to pay 50% of the off-site financial contribution, which calculates to £3,912,750 The acceptability of this offer is assessed against Policy H2 below.

On-site housing

6.14 The applicant has produced a Housing Study, which assesses the possibility and constraints of providing housing on-site. This study assesses different scenarios and they have been reviewed and fully considered by officers, including housing on the Shaftesbury Avenue side, on the upper floors, on the Charing Cross Road side and on Caxton Walk. Officers accept that there are constraints to providing adequate residential accommodation on-site:

- The proposal is a remodelling/refurbishment of the existing building, which restricts development possibilities.
- Most flats would need to be single aspect given the layout of the existing building and the depth of the floorplates, the existing floorplates were designed for office use and it would be difficult to create flats with an acceptable level of amenity.
- Much of the building edge faces north-west or north-east and so the only parts of the site that could be suitable for residential are on the southern, western and eastern sides.
- New residential could not be introduced on to Caxton Walk given the narrow separation distances with existing residential which would result in overlooking issues to the existing residential properties on Caxton Walk.
- The provision of residential on the western, eastern or southern sides of the building would impact on the usability of the proposed offices as they would lose windows along that side.
- Residential use in the same building would require a separate core which would result in a significant loss of floorspace on the site, a poor ratio of usable floorspace to core and a subsequent reduction in the overall viability of the scheme.

6.15 Officers accept that the amenity of flats provided in the development would not be good in terms of aspect, daylight and sunlight and that it would not be possible for residential accommodation on the site to meet London Housing Design Guide standards and that the provision of residential on-site would not be the best use of floorspace. It is considered that the applicant has provided clear evidence that it would be more appropriate to not provide the residential floorspace on-site in this instance, in line with Policy H2. It should be noted that with the previously approved scheme for the site it was accepted that the provision of on-site housing was not possible.

Off-site housing

6.16 The second part of the cascade in Policy H2 requires the provision of off-site housing. The policy requires that an applicant carry out a search for a potential donor site with the option of a payment in lieu as an alternative only being considered acceptable in 'exceptional circumstances'.

6.17 A fully policy-compliant off-site proposal in this case would provide 5,217sqm of residential floorspace (the uplift of 10,434sqm/2). Policy H4 which seeks the provision of affordable housing in residential schemes would also kick in and given the quantum of housing it would be expected that 2,608sqm (i.e. 50%) of this would need to be affordable housing. The 50% target applies to developments where there is the capacity for 25 or more dwellings.

- 6.18 The applicant does not own any other sites within the borough. They have undertaken a search for a donor site and provided details of this in their submitted Housing Study. A potential donor site has not been identified in this search, due to high land values, unsuitability of sites and lack of availability. Officers accept that the applicant has undertaken sufficient measures to identify an off-site location but has not been successful. In view of this it is considered that in this case a payment in lieu is acceptable, this was also the case with the previously approved scheme for the site.

Financial contribution

- 6.19 In terms of the financial contribution towards the provision of off-site affordable housing (PIL), the proposed uplift of 10,434sqm (GIA) would require a payment of £5,493,555 to be policy compliant ($10,434\text{sqm} - 2 = 5,217\text{sqm}$, $5,217\text{sqm} \times 1,500 = £7,825,500$). The applicant has advised that the scheme cannot meet this requirement for viability reasons and has submitted a viability report to support that assertion. Whilst their report concludes that no payment would be viable, the applicant has agreed to make an upfront payment of £3,912,750, which is 50% of the policy requirement in lieu of a deferred affordable housing clause.

Viability and affordable housing

- 6.20 The applicant's financial viability appraisal has been independently reviewed for the Council by BPS, they calculate the Benchmark Land value to be £121M.
- 6.21 As stated above, the financial contribution requirement in line with policy is £7,825,500. The applicant submitted a viability report which showed that the proposed development was considerably in deficit and that the applicant would not be able to provide anywhere near at policy-compliant PIL. The independent auditing process interrogated the applicant's assumptions, and whilst the size of deficit finally agreed upon was not quite as much as the applicant had initially been cited the independent assessment still concludes that the scheme was indeed in deficit by £48M.
- 6.22 The applicant's offer subsequently negotiated by officers for 50% of the policy compliant PIL is on the basis that there will not be a review clause for a deferred affordable housing contribution in the event of improved viability as is generally sought. This is due to such clauses not being favoured by developers due to the difficulty in obtaining finance with an unspecified significant payment that may or may not in the future become payable. Given the size of deficit in this instance officers consider that the 50% PIL without review clause is a good offer and should be accepted.

- 6.23 BPS' viability assessment is attached as an appendix.

Class E retail use

- 6.24 The entire site is within the Central Activities Zone. The south-western side of the site is located within a Central London Frontage (secondary frontage).
- 6.25 There are currently 4,750sqm of Class E retail use on the site including the sui generis dry cleaners. There is no policy protection afforded to dry cleaners in the local plan and its loss is not resisted. These retail units are located on the Charing

Cross Road, Shaftesbury Avenue and Phoenix Street elevations. Under the proposals, the amount of Class E retail would be reduced to 862sqm flexible.

- 626 Whilst on the face of it there is a significant loss of 3,888sqm retail use under the proposals, 1,265.66sqm of this space is actually in the basement. This basement retail space was originally constructed in the 1980's as a mall, which was later removed. The majority of this space is either vacant or used for storage and plant and is under-utilised. The existing basement retail floorspace has very low floor to ceiling heights and is less-suited to modern retail requirements. A number of the ground floor retail units are vacant. The existing ground floor retail features deep floorplates with little natural light, unsuitable to many modern retailers. There is also a loss of some retail frontage due to the proposed route through. The proposed retail space would in contrast be modern and high-quality which is more likely to secure tenants. The frontages on Charing Cross Road and Shaftesbury Avenue would continue to provide retail uses ensuring an active and engaging frontage within the Central Activities Zone.
- 627 On balance, although the amount of floorspace designated for retail use is less than existing, the modernized fit for purpose units are considered to support the retail function of the designated Central London frontage going forward and is therefore in accordance with policy TC2.
- 628 Under the proposals, the main office entrance would be relocated on to Charing Cross Road (from Shaftesbury Avenue). The office frontage would still provide active frontage to the street on Charing Cross Road.

Conclusion: land use

- 629 Under the proposals there would be a significant increase in office floorspace that would be suited to flexible, modern needs. The proposals would result in a substantial increase in employment opportunities on the site to the benefit of the local economy. The provision of a proportion of affordable workspace will support SMEs.
- 630 Officers accept that it is not viable to provide residential on site, on a donor site, nor a policy compliant PIL, but welcome the applicants willingness to continue to make a 50% PIL subject to a deferred affordable housing clause not being imposed. It is considered that the PIL has been reasonably maximized and will be a significant benefit to local affordable housing projects in the area.
- 6.1 The proposal features active frontages and Class E retail uses which would support the function of the CAZ and the Central London frontage.
- 6.2 Given the above, the proposed land use mix is considered acceptable as it would provide significant employment and economic benefits, as well as contributing towards affordable housing delivery and the vitality of the area.

7 Conservation

Legislative background

The Planning (Listed Building and Conservation Area) Act 1990

- 7.1 Section 66 of the Planning (Listed Buildings and Conservation Areas) Act 1990 (“the Listed Buildings Act”) states that in considering whether to grant planning permission for development which affects a listed building or its setting, the local planning authority shall have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses.
- 7.2 The effect of this section of the Listed Buildings Act is that there is a statutory presumption in favour of the preservation of Listed Buildings and their settings. Considerable importance and weight should be attached to their preservation. A proposal which would cause harm should only be permitted where there are strong countervailing planning considerations which are sufficiently powerful to outweigh the presumption. The NPPF provides guidance on the weight that should be accorded to harm to heritage assets and in what circumstances such harm might be justified (section 16).
- 7.3 The duties imposed by the Listed Buildings Act are in addition to the duty imposed by section 38(6) of the Planning and Compulsory Purchase Act 2004, to determine the application in accordance with the development plan unless material considerations indicate otherwise.

The National Planning Policy Framework 2024 (NPPF)

- 7.4 The NPPF requires its own exercise to be undertaken as set out in chapter 16 (Conserving and enhancing the historic environment). Paragraphs 207-216 require consideration as to the impact of a proposed development on the significance of both designated heritage assets and non-designated heritage assets, including an assessment and identification of any harm/the degree of harm. Paragraph 215 states:

‘Where a development proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal including, where appropriate, securing its optimum viable use.’

Policy review

- 7.5 London Plan policy D4, policy D1 of the Local Plan and CPG (Design) seek to secure high quality design. Policy D1 seeks high quality design in all development by requiring development to respond to local character and context, be highly sustainable in design and construction, integrate well with the surrounding streets and townscape, comprise high quality architecture, and be accessible for all. Policy D2 is also relevant given the application site’s proximity to the Seven Dials and Denmark Street Conservation Areas. It requires development to preserve, and where appropriate, enhance Camden’s rich and diverse heritage assets and their settings, including conservation areas and listed buildings.
- 7.6 The principal conservation issues are as follows:
- Conservation and heritage assets
 - Setting of Conservation Areas
 - Setting of listed buildings

- Conclusion

Conservation and heritage assets

- 7.7 The site does not have any heritage designations, but it is in close proximity to three conservation areas – Seven Dials Conservation Area to the south and to the east, Denmark Street Conservation Area to the north, and Soho Conservation area to the west which sits within City of Westminster borough (see fig. 3 map). The fine-grained urban fabric of the Seven Dials Conservation Area contrasts with the monolithic form of the existing application building. The Phoenix Community Garden, St Giles Passage off New Compton Street, located to the north-east is a locally listed Public Open Space (no. 1 on fig. 6 map below). Phoenix Gardens is a survivor from the 1980's Covent Garden Community Gardens, it has overcome numerous obstacles to become the award-winning urban garden it is today.
- 7.8 The site sits at a unique intersection of diverse urban characteristics. Each boundary presents a distinct relationship with its surroundings, showcasing variations in urban grain, geometry, character, height, and architectural language.

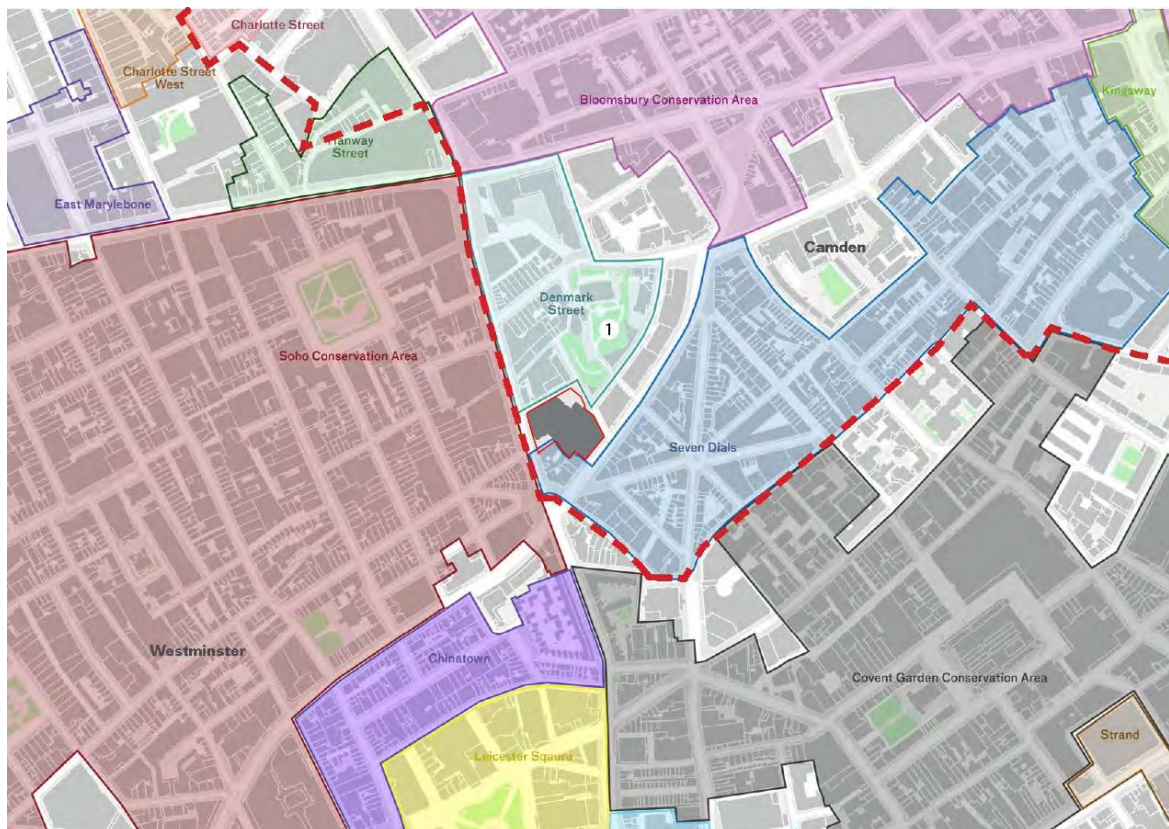


Figure 6 – Map indicating conservation area boundaries surrounding application site, including Denmark Street, Seven Dials and Soho.

Setting of Conservation Areas

- 7.9 While the site itself is not within a conservation area, it is visible from several viewpoints within the Seven Dials and Denmark Street Conservation Areas. The proposed development, with its three entwined blocks, has been designed to respond to the specific character of each conservation area.

Seven Dials Conservation Area

- 7.10 The Seven Dials Conservation Area (CA) adjoins the site to the south-east and has an impact on the setting of Shaftesbury Avenue and Cambridge Circus which fall within the Seven Dials CA.
- 7.11 The special character of the Conservation Area is found in the range and mix of building types and uses. Its location in Central London means it is surrounded by large commercial buildings and in this regard the redevelopment is not considered to harm the setting of the CA as a whole.
- 7.12 The proposed Shaftesbury Avenue façade, with its detailed design and robust form, complements the existing mansion blocks on the street. The lighter façade colour also helps to improve the streetscape. The design responds to the geometry of Cambridge Circus with its curved elements, while the upper levels are set back and finished in neutral tones to minimise their visual impact.

Denmark Street Conservation Area

- 7.13 The Denmark Street Conservation Area is located to the north of the site (on the other side of Phoenix Street). Denmark Street CA occupies a relatively small area of land, yet it has great diversity in appearance, an interesting mix of uses, and a character and appearance which have been shaped by the development of the land from the C12th.
- 7.14 The main building bulk is prominently visible from the Denmark Street Conservation Area; however, the proposed development addresses potential visual impact through the implementation of a dynamic façade. This proposed façade has deliberate variations in form, materiality, and architectural language, specifically designed to integrate harmoniously within the Conservation Area and the setting of St Giles in the Fields. The articulation of the building's mass, through these diverse façade treatments, aims to mitigate any perceived monolithic quality, ensuring the proposed structure contributes positively to the area's established architectural context and visual character, and in this regard, the redevelopment is not considered to harm the setting of the CA.
- 7.15 The development would be visible from Charing Cross Road, New Compton Street, Phoenix Garden, and Stacey Street within this conservation area. The proposal maintains a consistent scale and architectural language with the commercial buildings on Charing Cross Road. Using brick, the proposed Phoenix Street elevation creates a visual connection with the façades of the adjacent residential blocks.

Soho Conservation Area

- 7.16 The Soho Conservation Area, located within the City of Westminster and west of Charing Cross Road, maintains its distinct character, largely unaffected by the proposed development. The existing context, including listed terrace houses at the Charing Cross Road end of Old Compton Street and positive contributors like the buildings fronting Cambridge Circus and along Shaftesbury Avenue, remains prominent. Furthermore, the proposed building's design, particularly its articulated upper levels, provides a positive termination to Old Compton Street. These upper levels are specifically designed to respond to both the geometric context of Cambridge Circus and the visual considerations from Old Compton Street, effectively minimizing the building's perceived bulk and integrating it thoughtfully into

the broader urban landscape. The proposed building is not considered to cause significant harm to the Soho Conservation Area or views from Old Compton Street and Cambridge Circus, despite its proximity.

Setting of Listed Buildings

- 7.17 The development is located near several listed buildings, including the Grade II listed Phoenix Theatre to the north (no. 1 on fig. 7 map below) and the Grade II listed former Saville Theatre/former Odeon Cinema to the east (no. 2 on fig. 7 map below). Therefore, the impact of the development on the setting of these listed buildings needs careful consideration.

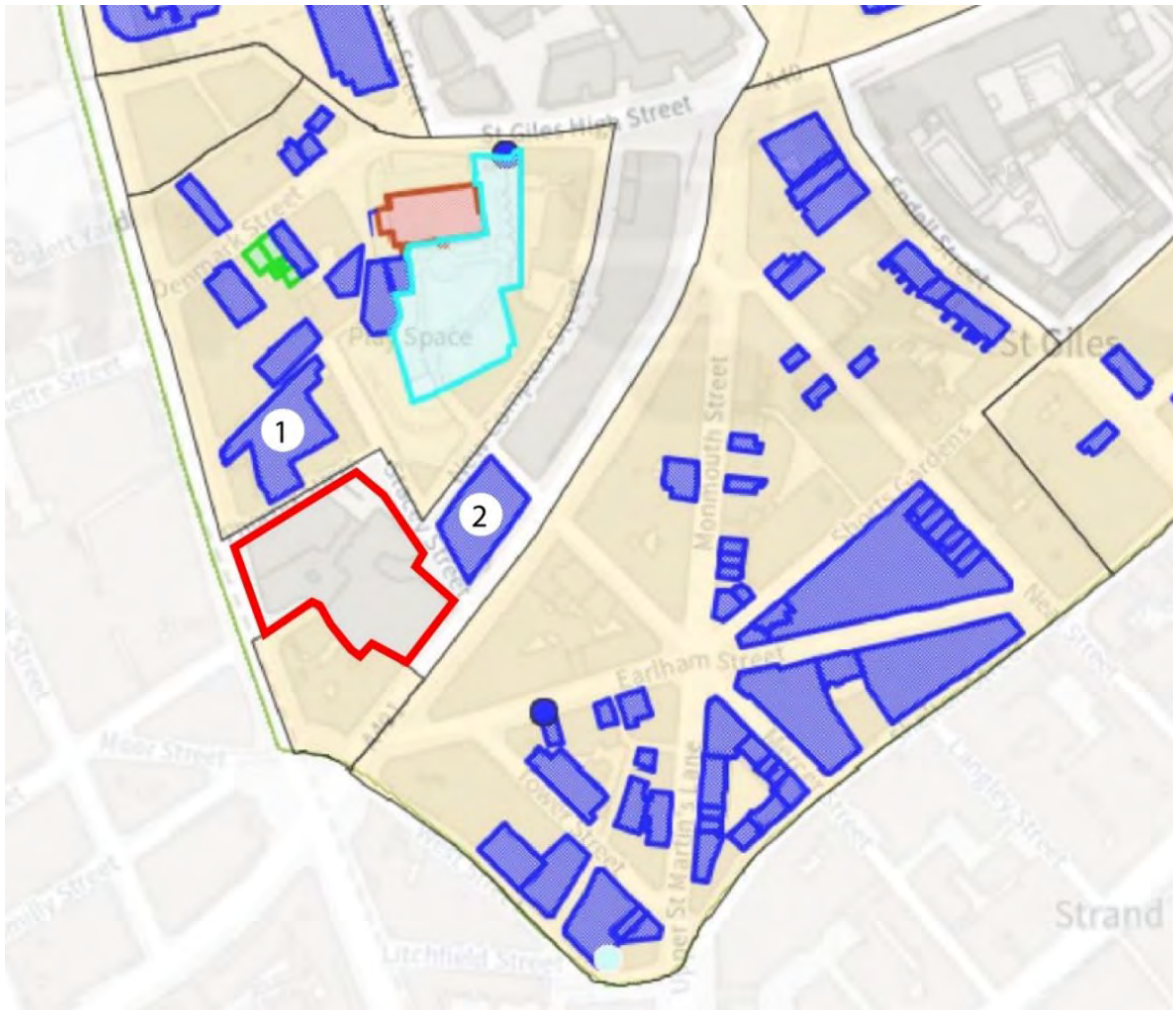


Figure 7 – Map indicating application site location in red and surrounding statutory listed buildings in blue

- Phoenix Theatre: at present the setting of this building is comprised of close-knit buildings to either side along Phoenix Street and particularly the narrow Flitcroft Street and with the development along the wider but also densely developed Charing Cross Road also contributing to the urban environment in which the building is experienced externally. The proposed development is not considered to unduly change the dense urban environment in which the building is experienced and therefore not considered to harm its setting.

- Saville Theatre/Odeon Cinema: the scale and form of the existing building is already greater than that of the former cinema building. The proposed scale would increase adjacent to this building, but the cinema's strict geometric form and diminutive scale along with its intricate frieze allows the listed building to stand proud in the streetscene even amongst taller buildings. For this reason no harm is considered to be caused to the setting of the listed building.



Figure 11. Existing view of the site looking south-west along Shaftesbury Avenue with the Odeon Cinema in the foreground



Figure 12 – Proposed Shaftesbury Avenue Elevation in relation to Odeon Cinema building

- St Giles-in-the-Fields Church and Garden: The grade I listed Church of St Giles-in-the-Fields and its associated gardens are of great significance and great weight are given to its preservation. In this instance the current office block is prominent in views from the gardens along with 20th century blocks of flats which frame the left side of the image. The church is already surrounded by taller building and large scale development such as Centre Point and the Central St Giles development. The proposed development would remain prominent in views from the garden but the layering of each element breaks down the mass and would not be detrimental in the context of the existing development which already surrounds the church and gardens. Therefore, no harm is caused to the setting in this regard.



Figure 13 – Proposed Shaftesbury Avenue Elevation from St. Giles Church Gardens

Conclusion

- 7.18 In conclusion the development is outside of a conservation area, but would be present in views from the Seven Dials, Denmark Street and Soho Conservation Areas as well as forming part of the context of a number of listed building which surround the site.
- 7.19 The development has been carefully modulated and the facades treated to respect and respond to its differing contexts and **would not cause harm to the setting of the heritage assets.**
- 7.20 The development is considered to comply with section 66 of the planning (listed

building and conservation area 1990) Act; Section 16 of the NPPF; Policy D2 and guidance set out in the Denmark Street and Seven Dials Conservation Area Management Strategy.

8 Design

8.1 The Design considerations are follows:

- Policy review
- Existing building
- Proposal synopsis
- Enhanced accessibility and frontage
- Reinstated pedestrian link
- Scale and massing
- Detailing – enhanced contextual elevations
- Contextual responses on Charing Cross Road and Stacey Street
- Upper level articulation and green integration
- Materials
- Conclusion

Policy review

8.2 The Council's design policies aim to achieve the highest standard of design in all developments, including where alterations and extensions are proposed. Policy D1 of the Local Plan requires development to be of the highest architectural and urban design quality to improve the function, appearance, and character of the area; Policy D2 states that the Council will preserve, and where appropriate, enhance Camden's rich and diverse heritage assets and their settings, including conservation areas and listed buildings.

Existing building

8.3 The existing 10-storey building, comprising a basement, ground floor, and ten upper levels, primarily houses office space (approx. 23,000 sqm) with some retail on the ground floor. The current ziggurat building form design has a frontage parapet height of six storeys on Shaftesbury Avenue and Charing Cross Road, and seven storeys on Phoenix Road, with the remaining floors above stepping back. The upper level office floors have a convoluted plan form that wraps around two lightwells – one that is enclosed on all sides and one that is partially open to Caxton Walk.

8.4 Constructed in a typical 1980s commercial style, it features a brick-clad precast concrete façade that is currently deteriorating, with visible alterations over the years.

8.5 The current building, constructed in the early 1980s, replaced a war-damaged area and initially featured a pedestrian shopping arcade that was later closed due to underperformance. The ground floor, originally designed as a retail mall connecting Caxton Walk and Stacey Street, was reconfigured after proving unsuccessful. This lack of success is likely linked to several factors:

- Large sections of the ground floor lack active uses and active frontages, particularly along Stacey Street and New Compton Street, contributing to a 'back-of-house' feel.
- The ground floor level is misaligned with the street, necessitating steps and ramps that create barriers and push the building away from the street causing accessibility issues.



Figure 14 – Existing inactive façade and raised area on Stacey Street

8.6 The public realm surrounding the building is also problematic:

- The Caxton Walk pedestrian area is cluttered and poorly designed, with a 'chasm-like' space at the end.
- Phoenix Street's narrow pavements and excessive bollards create an unpleasant pedestrian experience.
- Stacey Street is dominated by a loading bay and car park entrance, this area suffers from illegal parking and anti-social behaviour.

8.7 Internally, the building presents challenges:

- The convoluted layout of the office plan form has limited flexibility for modern use, a legacy of the building's original design as a telephone exchange.

8.8 In summary, the existing building suffers from a range of issues, including a deteriorating façade, poorly integrated ground floor, inaccessible entrances, an

underutilised public realm, and an inefficient internal layout. These factors contribute to its lack of architectural merit and its negative impact on the surrounding urban environment.

Proposal synopsis

- 8.9 The existing structural frame and floor slabs are retained up to level ten, with two new lightweight floor plates and flat roof added above, utilising the current structural grid and avoiding a transfer slab. The ziggurat form is altered by vertical and horizontal extensions, increasing the building's overall height by 8.07m. The entire building perimeter will be redefined by new contextual elevations, where terraced greening is a prominent feature on upper storeys whilst the proposed ground floor is increasing the amount of active frontage.
- 8.10 A new pedestrian route is introduced linking Old Compton and New Compton Streets. This is accompanied by improvements to the public realm which include level access to the building and more inclusive public space on Stacey Street.
- 8.11 The proposed design significantly enhances the building's ground floor by extending the footprint over the existing raised podium and triangular recess on Stacey Street, creating a level, accessible public space. The removal of the wide steps leading to the podium and the softening of the Phoenix Street corner improve pedestrian flow and visibility. The previously underutilised area around the vehicle entrance is transformed with a distinctive frontage, positively impacting the approach to Phoenix Gardens.

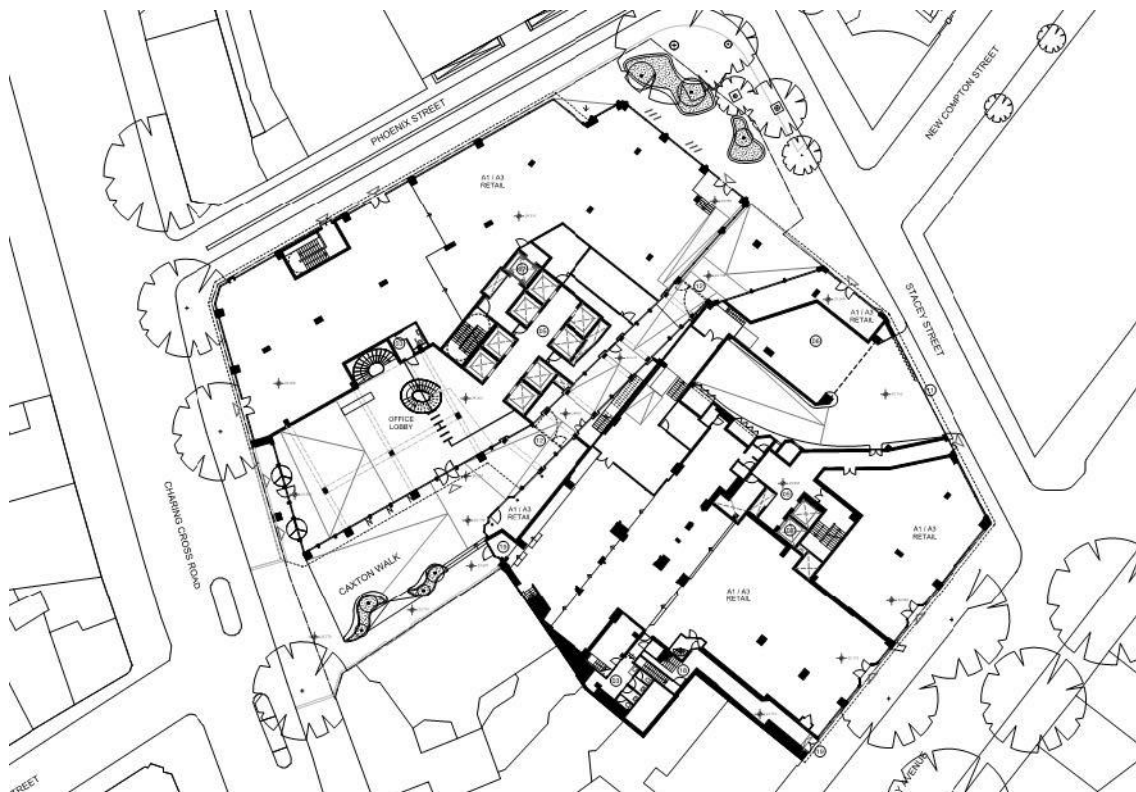


Figure 15 – Existing ground floor plan



Figure 16 – Proposed ground floor plan

Enhanced accessibility and frontage

- 8.12 The main office entrance is strategically relocated from Shaftesbury Avenue to Charing Cross Road, at the corner of the proposed Little Compton Street route, enabling the entire Shaftesbury Avenue frontage to be dedicated to retail and dining. On Stacey Street, the frontage facing Phoenix Gardens is redesigned to accommodate an affordable workspace unit and a consolidated service access point.

Reinstated pedestrian link

- 8.13 A key feature of the proposal is the reintroduction of the historic pedestrian link between Old and New Compton Streets, creating a valuable public arcade that improves connectivity between St Giles and Soho. The proposed Little Compton Street link is an arcade, ranging from 5.5 to 6 metres in width and with a minimum height of 3.7 metres, features active frontages along most of its length. The ten-metre wide opening onto Stacey Street creates an inviting entrance and ensures the arcade's visibility from both Old and New Compton Streets. Upon exiting the arcade onto Stacey Street, pedestrians will have clear views of St Giles' steeple and Centre Point, serving as important wayfinding landmarks. The arcade is activated at each end with retail units, workspace, and building lobby at the street corners.

Scale and massing

- 8.14 In select locations, the design extends the parapet height from the existing six storeys to seven and eight storeys. Although the height of buildings in the surrounding conservation areas is often around 5 storeys, there are taller

developments on both Charing Cross Road and Shaftesbury Avenue. These include the granted 151 Shaftesbury Avenue scheme, next to the listed Odeon, which rises to 8 office storeys with additional 2-storey setback and 120 Charing Cross Road at 7 storeys without setbacks. The additional frontage height proposed is considered to be acceptable in the context of these and other buildings in the area. Balanced against the two-storey increase in frontage height, the proposal also removes bay windows which circle the building façades at the fifth floor, projecting forward of the building line. This helps relieve the bulk and sense of enclosure to the street.

- 8.15 Departing from the building's unified façade and single architectural style, the proposal treats the Charing Cross Road and Shaftesbury Avenue sides as distinct blocks. A folly feature on the seventh floor of the Shaftesbury Avenue elevation and loggias at higher levels, enhance views from Cambridge Circus.
- 8.16 The Stacey Street podium extension is articulated as a five-storey element (see fig. 17 and 18), distinct from the main structure, to establish its own identity and respond to the scale of buildings bordering Phoenix Gardens and the Denmark Street Conservation Area. Its height and brick façade are intentionally aligned with the listed Odeon/former Saville Theatre, creating a cohesive corner framing Phoenix Gardens.



Figure 17 – Proposed scheme diagram from the north showing five-storey element on Phoenix Street in dark brown.



Figure 18 – Proposed Phoenix Street elevation

- 8.17 The proposed upper levels, from the seventh to eleventh floors, expand the building's footprint from a cruciform to a more simplified shape, employing a more nuanced setback strategy than the existing rigid design, informed by views analysis and a desire to articulate the mass. The 1980's cruciform, driven by internal office needs, resulted in an unresolved form visible from Old Compton Street and Cambridge Circus, lacking townscape ambition. The redesign addresses this by breaking the north-eastern and western mass into distinct façade elements (see fig. 19 and 20), mirroring the scale of Edwardian frontages on Cambridge Circus and radiating from it, thus improving the building's contextual fit. This articulation, while increasing visibility, enhances the form, softening the mass with distinct profiles.



Figure 19 – The proposed view from Charing Cross Road, looking towards the Little Compton Street link, illustrates the design strategy of segmenting the building's mass into three distinct elements and breaking up the mass at the upper levels.

- 8.18 The deepest setback between these elements aligns with the view down Old Compton Street (see fig. 20) and above the arcade, creating a sense of depth and suggesting a continuation of the route. The upper-level façade is segmented to break up the building's mass, which refines its visual impact when viewed from Old Compton Street.



Figure 20 – From New Compton Street, the proposed view of the north-east elevation reveals a design that breaks the mass into layered façades, each expressing a different architectural language.

- 8.19 The top levels of the scheme are also designed to be read as a distinct element from the lower parts of the building and are identifiable as a commercial building set behind and away from the Cambridge Circus, and seen in the context of other commercial buildings appearing behind the Circus toward the north. The modelling of these upper storeys and the neutral tone of the materials lend these levels a recessive quality that would ensure that the Circus buildings remain the focus of the view.
- 8.20 A recurring design motif, especially prominent from Cambridge Circus elevations, is the use of recessed façades behind loggias, creating visual depth through light and shadow. The loggias soften the building's mass, reduce glass reflectivity, eliminate the need for visible louvres and maintain a clean façade. To minimise visual impact, roof plant is concealed behind a designed enclosure that caps the building.

Detailing - enhanced contextual elevations

- 8.21 The proposed elevations significantly elevate the building's architectural quality, offering a richer, more engaging character appropriate for its Central London setting. Through the use of modulated bays, a more human scale is achieved. On Shaftesbury Avenue, the design draws inspiration from the neighbouring Victorian building's triple window rhythm and curved lintels, while adopting the limestone colour from the listed Odeon's base, creating a cohesive street frontage with Victorian-inspired details and traditional London material tones. The façade features bay windows for the piano nobile floor, varied string lines, and raised shopfronts, aligning with the Victorian context. The visible gable return, facing Cambridge Circus, is clad in red brick with arched openings, harmonizing with the surrounding Victorian architecture.
- 8.22 To establish a clear horizontal datum on the street elevations, a prominent cornice is incorporated above the seventh floor on Shaftesbury Avenue and Stacey Street, enhancing the façade's articulation.

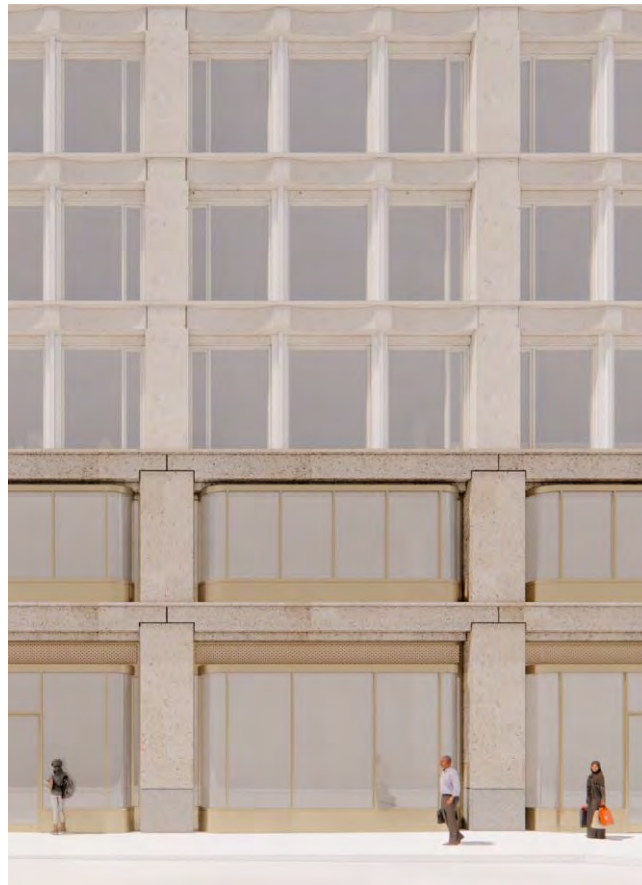


Figure 21 – Elevation treatment of proposed building

Contextual responses on Charing Cross Road and Stacey Street

- 8.23 The Charing Cross Road elevation maintains contextual sensitivity with raised shopfronts, a linear design reflecting neighbouring buildings, and chamfered corners. The limestone-coloured reconstituted stone and metal mullions continue the material palette. The five-story Stacey Street block, designed for the Phoenix Garden context, employs layered brickwork for warmth and scale. The arcade

features chamfered bay windows, referencing historic London arcades and providing oblique views.

Upper-level articulation and green integration

- 8.24 The upper floors adopt a lighter, more recessive style with a focus on metal elements and limestone-coloured reconstituted stone, creating depth and elegance through loggias and profiled columns. This approach echoes the rich skylines of Victorian buildings in the area, using curved forms and stone-like materials to create a sense of depth. Numerous small terraces and loggias are designed to incorporate substantial greening, enhancing the building's façade.

Materials

- 8.25 The selection of materials for the proposed development are contextual to the surrounding buildings and context. Red brick and red pigmented concrete are employed for the five-storey element at the Stacey Street/Phoenix Street junction, deliberately chosen to blend in with the materiality and scale of adjacent residential structures. On Charing Cross Road, selected limestone-coloured reconstituted stone and metal mullions reference the established horizontal articulation and light stone palette of neighbouring buildings. Similarly, the Shaftesbury Avenue elevation incorporates reconstituted stone and brass-coloured metalwork, articulated in bays to align with the rhythm and detailing of the existing streetscape. The choice of brass-coloured metalwork at the upper levels aims to complement the prevailing tonality of surrounding buildings and establish a distinct rooftop 'crown' architectural feature. Light-coloured reconstituted stone is used for horizontal slabs at the building's 'crown'. The light red brickwork and precast elements of the Stacey Street façade are intended to complement the stone used on the other elevations, while adding texture and a domestic scale, responding to the context of the Phoenix Garden area. Finally, the precast footing aligns with the datum of adjacent dark stone footings, ensuring visual continuity at the building's base.

Conclusion

- 8.26 This proposed development is a high-quality, contextual design that would significantly improve the appearance of the existing building through a retention-focused approach, minimising carbon impact and maximising reuse. The enhanced ground floor, featuring a new pedestrian route and comprehensive design, elevates the pedestrian experience and enhances security. New façades, employing quality materials and intricate detailing, respond to local character, while taller upper storeys are carefully designed to respect views and heritage assets, it will have a positive impact on the local townscape. Driven by sustainability, the design targets low carbon emissions, adaptable structures, and encourages sustainable transport.
- 8.27 An architect-retention clause would be included as a Section 106 Head of Term, to ensure continuing design quality through to the build stage.

9 Landscaping, open space biodiversity and trees

- 9.1 The landscaping, public realm and trees considerations are follows:

- Policy review
- Designations
- Landscaping and public realm
- Biodiversity Net Gain and Biodiversity
- Proposed through route
- Trees
- Conclusion

Policy review

- 9.2 London Plan policy D8 (Public realm) states that new development proposals should seek to create new public realm and that the public realm should be of a high quality. The Camden Local Plan policies A2 (Open space) and A3 (Biodiversity) and Camden CPG Biodiversity seek the provision of open space to protect existing open spaces and trees, secure additional trees and vegetation and to protect and promote biodiversity.

Designations

- 9.3 None of the site is designated as public open space.

Landscaping and public realm

- 9.4 The existing site includes privately-owned space which is accessible to the public at Caxton Walk and on the northern side of the site where there is a hard-paved area which merges with the public highway and a raised hard paved area. These areas together have an area of 521sqm and are poorly landscaped with brick surfaces and little soft landscaping. The intention is to improve the open space which would remain accessible to the public, the open space would be increased from 521sqm to 732sqm, including the new passageway (587sqm excluding the passageway). Accessibility would be improved to this area. Under the proposals, the open space at the rear would be levelled and a condition is recommended for hard and soft landscaping details, to ensure that high-quality landscaping is provided. This open space would be maintained and managed by the building management team with funding coming via the building's service charge. A total of 953sqm of terraces would be provided at the upper levels, for the office workers. The proposed open space, plus the terraces would provide 1,685sqm of open space, more than Policy A2's requirement of 1,602sqm. It is recommended that a S106 planning obligation is imposed to ensure the delivery and retention of the ground floor open spaces including the route through and for them to be accessible to the public,



Figure 22 – Existing and proposed ground floor

- 9.5 The proposed public realm design draws inspiration from the site's historical street patterns and surrounding cultural landmarks. The paving concept, reflecting 20th Century urban lines and incorporating cobble setts of varying proportions, aiming to create a human-scaled, pedestrian-friendly environment that echoes the eclectic paving character of the surrounding context, notably the hand-paved paths of Phoenix Garden.
- 9.6 The integration of existing mature trees on the street is a key feature, with raised circular planters providing seating and shade at the ground level. New trees on the building's terraces on upper levels, extend the greenery of Phoenix Garden vertically, marking building corners and enhancing biodiversity.
- 9.7 The public realm design incorporates Crime Prevention through Environmental Design principles, ensuring legible access routes, activated elevations for natural surveillance, and the elimination of recesses to minimise anti-social behaviour. The landscape design, including planting and street furniture, is intended for robustness and ease of maintenance, supported by a management regime to ensure a perpetually attractive and secure environment.

Biodiversity Net Gain and Biodiversity (Policy A3)

- 9.8 Biodiversity Net Gain (BNG) is a way of creating and improving natural habitats. BNG makes sure development has a measurably positive impact ('net gain') on biodiversity, compared to what was there before development. Every grant of planning permission is deemed to have been granted subject to a general biodiversity gain condition to secure the biodiversity gain objective. This objective is to deliver at least a 10% increase in relation to the pre-development biodiversity value of the development granted permission. This increase can be achieved through onsite biodiversity gains, registered offsite biodiversity gains or statutory biodiversity credits. The 10% in biodiversity value is secured through a pre-

commencement condition which is already applied through legislation, which requires the submission of a Biodiversity Net Gain Plan before development can commence.

9.9 The Biodiversity Gain Requirements (Exemptions) Regulations 2024 sets out a list of application types that are exempt or temporarily exempt from needing to create a biodiversity net gain. This application is exempt from biodiversity net gain specifically because it is below the threshold of 25 square metres (5m by 5m) of on-site habitat. As such this application is exempt from the requirement of a 10% uplift in Biodiversity Net Gain on site

9.10 Nevertheless, the planting on the proposed terraces, soft landscaping to the new public realm along with the proposed green roofs and bird and bat boxes within the development will provide a net increase in the biodiversity of the site.

Impact on nearby Open Space (Phoenix Gardens)

9.11 Overshadowing analysis has been undertaken by the applicant's daylight and sunlight consultant GIA, using SHoG (sun hours on ground) analysis. The BRE guideline is that at least 50% of an external amenity space should receive 2 or more sun hours per day on the 21st March. The applicant has modelled the situation for both 21st March and 21st June which is the date on which the position of the sun in the sky at midday is the highest. Overall, the assessments show limited effects due to the proposed development with 78% of the space retaining good sunlighting on the 21st March, compared with 84% in the existing situation. Additional analysis has been provided following discussion, which details the cumulative effect on the Phoenix Gardens open space, taking account of the concurrent application at the Former Odeon/Saville Theatre at 135 Shaftesbury Avenue. The assessment shows that, considered in isolation, the neighbouring 135 Shaftesbury Avenue scheme also leaves the area compliant with the BRE Report guidance (57% retained area with over 2 hours sunshine per day).

9.12 However, with both schemes in place there would be a cumulative transgression resulting in the gardens falling significantly short of the BRE 50% guideline in terms of the sun on ground indicator, retaining only 34% with over 2 hours sun a day. The most impact would be experienced to the south west element of Phoenix Gardens, while the least at the northern end of the Gardens farthest from the two application sites. As well as amenity, this impact is relevant to the greening and biodiversity of Phoenix Gardens. The SHoG diagrams for the existing, proposed and cumulative situations are shown below in fig. 31 for comparison purposes



Figure 31 – Existing, proposed and cumulative overshadowing of Phoenix Gardens

- 9.13 Considering the scheme at 125 alone the sunlight impact on Phoenix Gardens is very limited, however considered in conjunction with the proposed scheme at 135 Shaftesbury Avenue the impact is more significant. Whilst cumulative impact is a material consideration, both are separate schemes and still need to be considered on their own merits. As already mentioned, the impact of the proposal at 125 Shaftesbury Avenue alone is very modest and still well above the guideline. In the cumulative scenario tests undertaken by GIA show that whilst the 21 March date shows the area transgresses the guidance, the situation very rapidly improves after that date with the 50% target for at least 2 hours of sun being realised by 30th March (see Fig. 32 below). It is also noted that during the summer months the majority of the Gardens will benefit from sunshine for considerably more than 2 hours a day -this is shown in Fig. 33 below noting that the difference between the March 21 and June 21 situation is considerable. This is important because many plant species currently grown in the community garden need much more than 2 hours of sunshine during the growing season.

CUMULATIVE SCENARIO ANNUAL SUNLIGHT ASSESSMENT - DATE AT WHICH BRE 50% TARGET IS MET

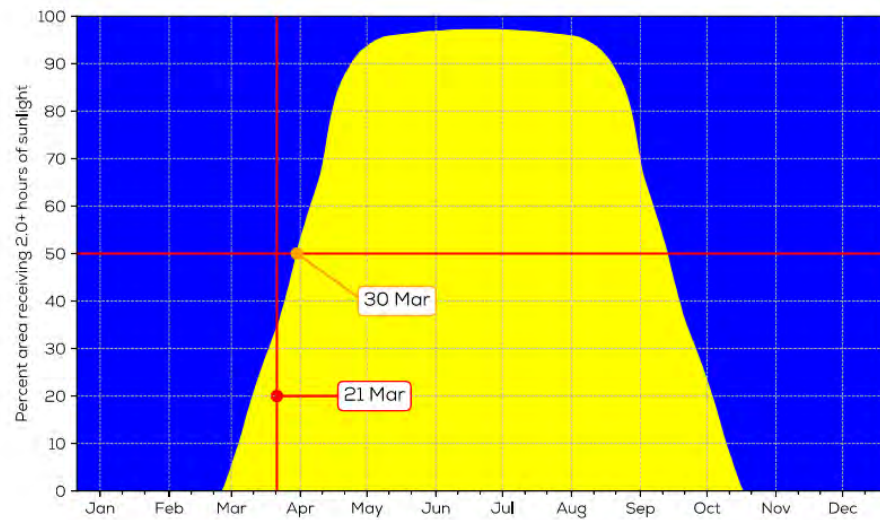


Figure 32 – Annual sunlight assessment Phoenix Gardens

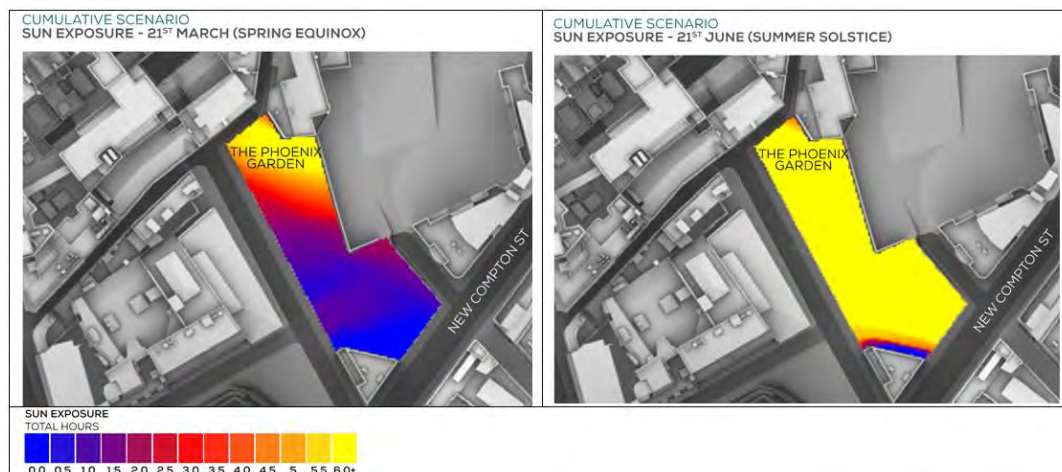


Figure 33 – Actual sun hours exposure March 21 and June 21 Comparison (Cumulative scenario)

- 9.14 Although the value of sunshine at other times of the year is not to be downplayed and there will be impacts on this particularly; and the June 21 test scenario shows the extreme situation for the summer solstice, it has to be acknowledged that a large proportion of the garden will benefit from sunshine during the late Spring through to the beginning of Autumn when it is used the most. The proposed scheme also contributes to improvements in the public realm and other public benefits which can be offset against its impact on the Garden, which it is stressed despite the cumulative impact is still very minor assessed individually.
- 9.15 Although the impacts from both schemes is generally acceptable taken in isolation, the impact of 125 Shaftesbury Avenue is negligible with 78.37% still receiving 2hrs in March, whereas 135 Shaftesbury Avenue is more significant and close to the target 50%, with only 56.6% receiving 2hrs in March. This means

the proposal for 135 Shaftesbury Avenue, closer to and directly to the south of Phoenix Gardens, is the larger contributor to the cumulative impact on Phoenix Gardens.

Urban Greening Factor

9.16 London Plan policy G5 (Urban greening) set a target of 0.3 for the Urban Greening Factor (UGF). The UGF is a land-use planning tool to help determine the amount of greening required in new developments. At present, the site has a UGF of 0. Under the proposals, the UGF of the site would be increased to 0.25 in line with policy G5. Whilst 0.25 is below the policy target, it is a significant improvement on the existing situation. The biodiversity of the site would be substantially improved with a biodiverse roof, planting on terraces and landscaping. A condition is attached for further details on the biodiverse roofs and landscaping.

9.17 Conditions are also attached regarding details of bird and bat boxes.

Proposed through route

9.18 The proposal would also provide a new route through, reinstating a link which has existed here historically, linking Old Compton Street and New Compton Street. This area would have a floorspace of 364sqm. 219sqm of this space would be double height. The pedestrian through-route would be larger than that included in the previous application on this site, which had an area of 243.3sqm. The proposed through route is considered a significant benefit of the scheme, creating a new route and improving permeability. The route would be maintained by the applicant and its delivery retention and access would be secured through the section 106 legal agreement.

Trees

9.19 There are no trees on the application site and the proposed development does not include any tree removals. There are trees immediately adjacent to the application site on land outside the applicants control:

- on the footway of Shaftesbury Avenue to the south west;
- on the paved open space on Stacey Street to the north east; and
- on Charing Cross Road.

9.20 There are no tree removals proposed. The existing basement is proposed to be retained in its current form, which would ensure the tree root protection areas would not be adversely affected by actual building works. Some minor tree pruning would be required for some street trees which would require consent from the street trees team. The applicant has set out how the existing trees will be protected and this would be secured via condition.

9.21 15 new trees are proposed to be planted on the site – all on the new terraces. These would be set within 800mm deep planters. The inclusion of these in the landscaping is welcomed, further details will be secured by condition.

9.22 Given the above, there are no concerns with regards to trees.

Conclusion

9.23 Under the proposals, there would be significant improvements to the public realm, especially on Stacey Street, but also at Caxton Walk. The provision of the through route is also a significant benefit. There would be no impact on trees. The scheme seeks to improve biodiversity and greening. Whilst the scheme would not impact on light to the neighbouring open space of Phoenix Gardens, it is recognised that cumulatively with proposals for the adjacent site at the Odeon, 135 Shaftesbury Avenue there will be an impact. The level of impact is relatively modest affecting the space for a very small amount of time in March and is therefore considered to be acceptable subject to mitigation. In view of the fact that the greatest impact is as a result of the scheme for 135 Shaftesbury Avenue it is considered reasonable that they should make a contribution for the mitigation, but one is not required from this scheme.

9.24 Given the above, the proposals are considered acceptable in nature conservation, landscape and biodiversity terms in line with the development plan.

10 Impact on neighbouring amenity

10.1 The considerations on the impact on the amenity of the occupiers of neighbouring properties are as follows:

- Policy review
- Daylight and sunlight
- Overlooking
- Noise and disturbance
- Conclusion

The impact on the daylight and sunlight of the open space has been assessed separately in section 9 of this report.

Policy review

10.2 CLP policies A1 and A4 and the Amenity CPG are relevant with regards to the impact on the amenity of residential properties in the area, requiring careful consideration of the impacts of development on light, outlook, privacy and noise. Impacts from construction works are also relevant but dealt with in the 'Transport' section. The thrust of the policies is that the quality of life of residents should be protected and development which causes an unacceptable level of harm to amenity should be refused.

Daylight and sunlight

10.3 A Daylight and Sunlight Assessment has been submitted as part of this application which details any impact upon neighbouring residential properties. The findings of this report were independently reviewed. Detailed daylight and sunlight assessments have been carried out to the surrounding residential windows. In accordance with the BRE guidelines detailed assessments have not been carried out to the surrounding commercial or non-habitable room windows as they are not considered to have a reasonable expectation of daylight or sunlight. Daylight has been assessed in terms of Vertical Sky Component (VSC), the No-Sky Line (NSL) and the Annual Probable Sunlight Hours (APSH).

- 10.4 The technical information in the report, as well as the methodology, has been reviewed for the Council by independent third-party assessor, Lichfields.
- 10.5 The assessment tested residential properties in the area, and concluded that of those tested, 11 are 'unlikely to see adverse alterations to the level of daylight', but 7 would be more notably impacted over GRE guidance. The council's independent reviewer agreed with this conclusion, and the 7 buildings more adversely impacted are discussed below.

Would not see material alterations to the level of daylight	More adversely impacted
<ul style="list-style-type: none"> • 99a Charing Cross Road/1-35 Old Compton Street, • 97-99 Charing Cross Road, • 93 Charing Cross Road, • 95 Charing Cross Road, • 2 Old Compton Street, • 107-109 Charing Cross Road, • 152-156 Charing Cross Road, • 138 Charing Cross Road, • 140 Charing Cross Road, • 142 Charing Cross Road, and • 2-8 Earlham Street. 	<ul style="list-style-type: none"> • Trentishoe Mansions • Phoenix Theatre, 104-110 Charing Cross Road • 1A Phoenix Street • 1-8 The Alcazar, 7-10 Stacey Street • 3-5 Earlham Street • 148-150 Shaftesbury Avenue • 1-2 St Giles Passage (Pendrell House)

- 10.6 The VSC is calculated at the centre point of each affected window on the outside face of the wall in question. A window looking into an empty field will achieve a maximum value of 40%. BRE guidelines suggest that 27% VSC is a good level of daylight. If a window does not achieve 27% VSC as a result of the development, then it is assessed whether the reduction in value would be greater than 20% of the existing VSC – which is when the reduction in light would become noticeable to occupants.
- 10.7 Should VSC fail then the more technical No-Sky-Line (NSL) test can be employed. The NSL is 'the outline of the working plane of the area from which no sky can be seen. In residential properties – the working plane is taken as 0.85m high. Like the VSC, the NSL figure can be reduced by up to 20% before the daylight loss is materially noticeable. It should also be noted in regard to VSC that although the guidelines set a good level of daylight at 27%, the guidelines are designed to be interpreted flexibly, and lighting levels of 20% or more are generally considered good levels of light for an urban setting.
- 10.8 Officers acknowledge that the development is proposed in a dense urban environment and the design and nature of some of the existing neighbouring buildings is such that there are some pre-existing shortfalls in daylighting relative to the normal BRE Standards. When this is the case any small absolute reduction can result in non-compliance. Also, some of the windows of the surrounding buildings are located underneath terraces which, as well as making them already liable to experience low levels of lighting also makes them dependent upon skylight from a lower angle and thus vulnerable to impact from relatively minor increases in building height opposite. Given the nature of the site and surrounding

buildings, it would be difficult to extend the current building without resulting in some transgressions in BRE guidance.

10.9 The leading industry guidelines on daylight and sunlight are published by the Building Research Establishment in BR209 'Site Layout Planning for Daylight and Sunlight: A Guide to Good Practice' (third edition, 2022) (BRE). The development plan supports the use of the BRE guidance for assessment purposes, however, it should not be applied rigidly and should be used to quantify and understand impact when making a balanced judgement.

10.10 BRE guidance also recommends using significance criteria which allows a clearer understanding of where the more significant impacts are, as set out in the table below.

BRE compliant =< 20%	20.1% to 30% reduction	30.1% to 40% reduction	More than 40.1% reduction
Negligible	Minor adverse	Moderate adverse	Major adverse

10.11 The map below shows the location of the seven properties that had more notable impacts.

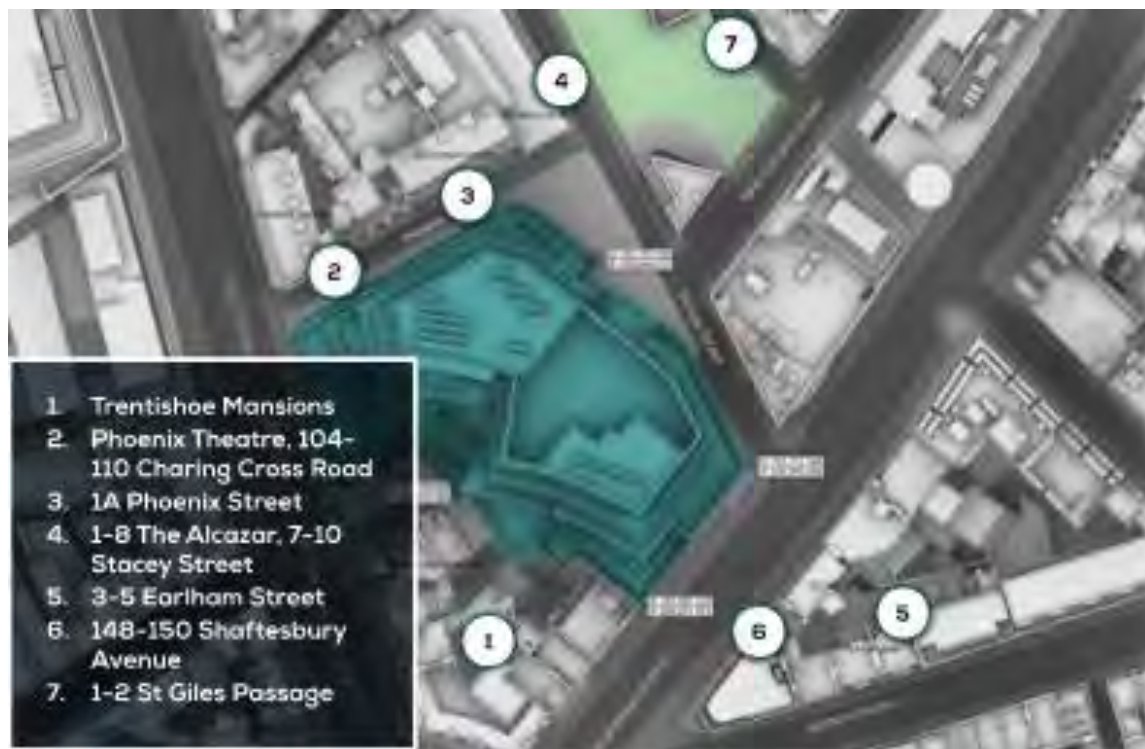


Figure 34 – Properties with more notable impacts

10.12 The Council's independent daylight consultant assessed the findings of the applicant's report and focused on the more notable impacts to the properties identified above.

Trentishoe Mansions, 88-94 Charing Cross Road/3-5 Caxton Walk

10.13 These properties are located adjacent to the site, to the south. These properties consist of 6 storeys (including roof storeys). There are apertures serving these

properties on their front elevation on to Caxton Walk and also their rear elevation on to a lightwell.

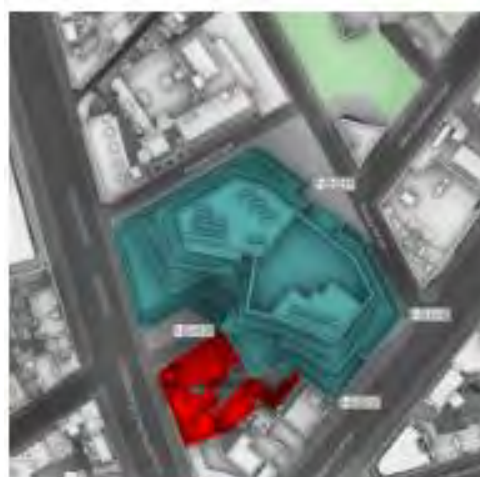


Figure 35 – Trentishoe Mansions in relation to the site

- 10.14 165 apertures were tested here. 99 apertures (60%) would comply with the BRE guidelines on VSC, with 66 falling below the guidelines. Given the existing constrained context on this dense urban environment, 61 of the 66 windows are unable to meet the 27% target VSC. Of the 66 windows, 29 would experience a minor reduction (20.1%-29.9%). 23 would experience a moderate loss of between 30-39.9%. 14 would experience a major loss in excess of 40%.
- 10.15 55 rooms were tested for NSL. 44 of these rooms would comply with BRE guidelines on the NSL. The remaining 14 rooms include seven bedrooms, three rooms of unknown use and four living rooms.
- 10.16 With regards APSH, all of the 19 windows tested would comply with BRE guidelines.
- 10.17 Whilst there would be large losses in percentage terms in VSC and NSL, this is due to the fact that the windows and rooms in question currently have very low levels of light. The windows in question face on to Caxton Walk, which is a narrow dead-end street. The highest loss to a window in terms of VSC would be 56.5%, however the actual reduction would be from 6.9% to 3%. A loss of 3.9% would be unlikely to be noticeable.
- 10.18 Given the above, it is noted that there would be an impact on a number of windows and rooms within Trentishoe Mansions in terms of daylight and sunlight. However, given the existing low daylight levels and the constrained urban environment, these impacts are acceptable, balanced against the benefits of the proposals. It should also be noted that when compared to the historical permission, the results are very similar, with the largest absolute VSC alteration limited to 2.1%.

Phoenix Theatre, 104-110 Charing Cross Road

- 10.19 This is a six-storey building comprising a theatre at ground floor level and flats above. The building is located about 5m to the north of the site.



Figure 36 – Phoenix Theatre, 104-11 Charing Cross Road in relation to the site

- 10.20 Ten windows were tested for VSC, six (60%) of which would comply with BRE guidelines. The remaining four windows serve LKDs. All of these rooms are served by another window which would pass the VSC guidelines.
- 10.21 All rooms would comply with NSL guidelines.
- 10.22 With regards APSH, the one relevant window would fall just short of the BRE guidelines.
- 10.23 Compared to the historical permission, the impacts would be very similar and unlikely to be noticeably different. Overall, the transgressions tend to be to secondary windows and the effects are not considered significant.

1A Phoenix Street

- 10.24 This is a residential property comprising seven storeys and is located to the north of the site, on the opposite side of Phoenix Street. These properties are single-aspect south-facing.

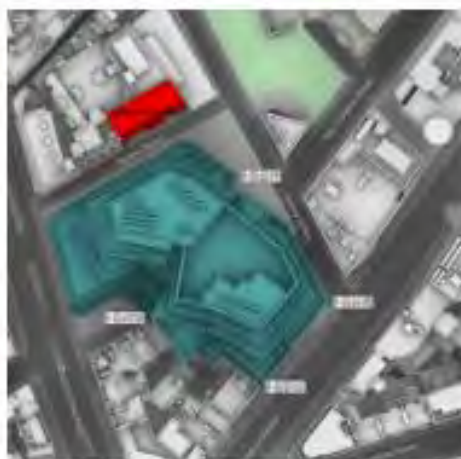


Figure 37 – 1A Phoenix Street in relation to the site

- 10.25 43 apertures were tested on this building. Of the 43, only four (9%) would comply with the BRE guidelines on VSC. The remaining 39 apertures serve 31 rooms, two of which are in unknown use, seven are living/kitchen/dining rooms (LKD)

and 22 are bedrooms.

- 10.26 33 rooms were assessed against the NSL and 18 (55%) of these complied and 15 fell short. Four of these rooms are habitable rooms – kitchen/living/dining rooms where natural light is more important.
- 10.27 For APSH, 24 windows were tested. Five would experience minor losses between 20.1% and 29.9%, two would experience moderate losses between 30% and 39.9% and 17 would be in excess of 40%.
- 10.28 The percentage losses in terms of VSC are very significant, well above BRE guidelines. The highest loss is 100%, however, this is a result of the window receiving very low levels of light at present and the actual loss would be 2.1% to 0%. A loss of 2.1% would unlikely be noticeable to occupants. Furthermore, this is a bedroom where light is less important than living or dining rooms. The next highest losses in percentage terms are 84.8%, followed by 76.2 and these windows both serve living/kitchen/dining rooms. However, as above, the percentage losses are big due to the existing very low levels of light. The actual reductions in VSC % are from 4.6% to 0.7% and 4.2% to 1.0% respectively. Again, such low losses are unlikely to be noticeable. When considered cumulatively with adjacent development at the Odeon site, the impacts are likely to be more severe. Comparing the impact to the historical permission, the impacts are not dissimilar with the largest absolute VSC alteration to any window limited to 2.8%.
- 10.29 It is acknowledged that these flats receive poorer levels of daylight due to the design of the building, with overhanging balconies having an impact on the lower flats. The BRE guidelines allow for such features to be taken into account when determining the impact of a new building.
- 10.30 Nonetheless, the impacts to this block are likely to be significant, and in this respect, there would be a conflict with policy A1. However, it should also be noted that under the proposals, these flats would benefit from significant improvements in outlook with the public realm being redesigned of a much higher quality than the hard standing area that exists at present.

1-8 The Alcazar, 7-10 Stacey Street

- 10.31 This building is located to the north of the application site, on the corner of Phoenix Street and Stacey Street. It is a four-storey block with flats. Of the 19 windows tested, 16 (84%) would comply with the BRE guidelines on VSC. The remaining three windows serve two rooms of unknown use. All three rooms would suffer a minor loss between 20.7% and 21.8%

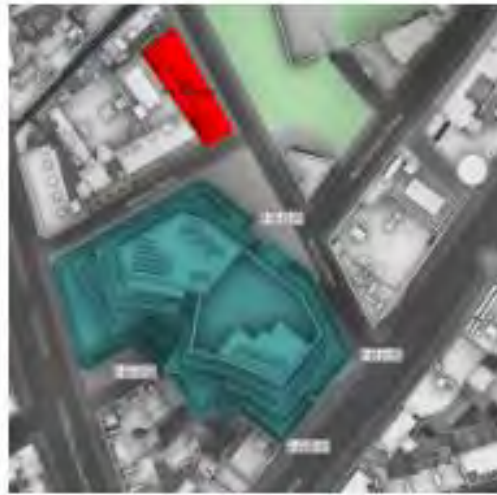


Figure 38 – The Alcazar in relation to the site

- 10.32 All rooms would pass the NSL guidelines.
- 10.33 Three windows would not meet the APSH guidelines, but for wintertime only. Overall, the impacts are not considered significant.

3-5 Earlham Street

- 10.34 This is a four-storey building with retail at ground floor and flats above.

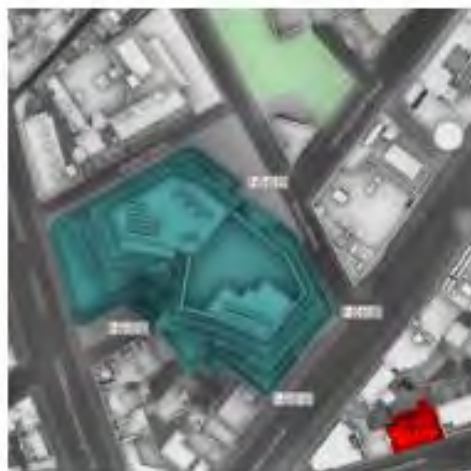


Figure 39 – 3-5 Earlham Street in relation to the site

- 10.35 All 24 windows tested would comply with VSC guidelines.
- 10.36 With regards NSL, 11 of the 12 rooms tested (92%) would comply. The remaining room would experience a minor loss.
- 10.37 No windows are relevant with regards APSH. Generally transgressions are not to main living spaces and so impacts are lessened, and while impacts are noted they are not considered significant.

148-150 Shaftesbury Avenue

- 10.38 This four-storey building is located about 15m to the south-east of the site, on the opposite side of Shaftesbury Avenue. The building has commercial uses at

ground floor and flats above.

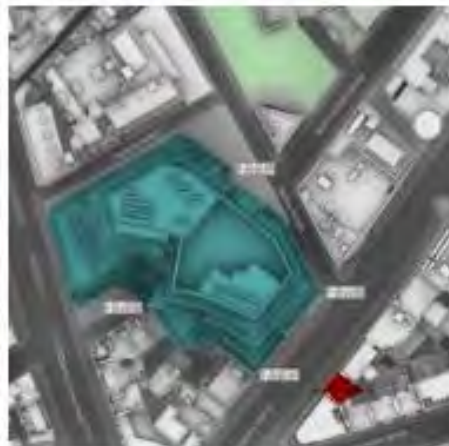


Figure 40 – 148-150 Shaftesbury Avenue in relation to the site

10.39 All nine windows tested would comply in terms of VSC.

10.40 With regards NSL, six rooms were assessed. Three of these comply with guidelines and three rooms (of unknown use) would not. All three rooms would experience a minor loss between 21.8% and 26.5%.

10.41 APSH is not relevant here, given the orientation. Again, the impacts are not considered significant overall.

1-2 St Giles Passage (Pendrell House)

10.42 This property is located to the north-east of the site. It is a five-storey residential building.

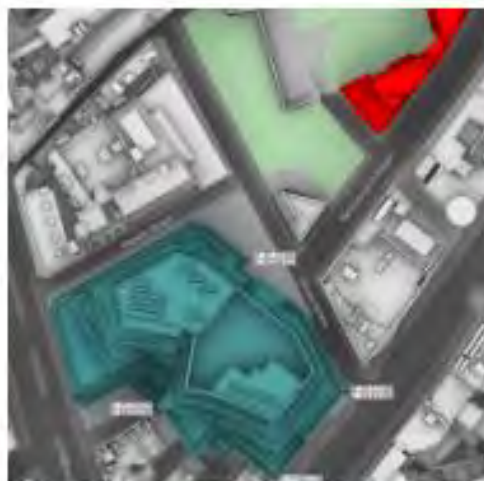


Figure 41 – 1-2 St Giles Passage in relation to the site

10.43 56 of the 64 apertures tested on this property fully complied with the BRE guidelines. Five of these windows would experience a minor loss and three would experience a moderate loss of between 34% and 38.9%. It should be noted that all of the eight windows that would not fully comply are located beneath a balcony or projecting overhang.

- 10.44 With regards NSL, 38 rooms were assessed and 33 (87%) would fully comply with BRE guidelines. Of the five rooms that would not comply, three would experience a minor loss between 20.1% and 29.9%. The remaining two would experience a loss of 31.1% and 31.2%. All five of these rooms do not meet the BRE NSL guidelines at present and would likely need artificial light.
- 10.45 The council's independent assessor noted that the windows and rooms with impacts are generally those below balconies, where the balcony reduces current natural light access, or bedrooms which have a lesser daylight need. Overall, the retained natural light would be acceptable.

Conclusion – daylight and sunlight

- 10.46 A number of windows and rooms in the area would be negatively impacted in terms of daylight and sunlight, particularly at Trentishoe Mansions and 1A Phoenix Street, with losses above the recommended BRE guidelines. Any material additional development of this site that infills the open area to the east and increases the massing on Phoenix Street would have a disproportionate impact on daylight to these properties, given the narrow width of the streets. Furthermore, the situation at 1A Phoenix Street is exacerbated by the balconies overhanging the windows cutting sky visibility from above. The levels of daylight that would be left are levels that are currently prevailing to other parts of that building already and it is the better lit, although not well lit, rooms that will experience the larger reductions. Notwithstanding this, the retained levels of light would be significantly below recommended levels and so there would be a conflict with this part of policy A1 in terms of 1A Phoenix Street. However, these impacts, and those on the other properties, needs to be balanced with the benefits of the scheme, and the fact that there would be an improvement in public realm in front of these properties, considering compliance with the development plan as a whole. Officers acknowledge that it would be unlikely for any development schemes to come forward without an increase in massing. If some of this bulk is not placed on these sides of the site, then the scheme would have to increase in height and bulk elsewhere, which is not considered practical in terms of conservation, design and amenity. Furthermore, it should be noted that when compared to the impacts of the previously approved scheme on this site, it is unlikely that occupants of the flats in the vicinity of the site would notice the difference with regards the currently proposed scheme. Though the proposed loss of light is assessed against the current situation.
- 10.47 Given the architectural and employment benefits of the scheme, the contribution towards housing and also the reinstatement of the route through, officers consider that on balance the impact on the worst affected properties can be accepted. Other properties in the vicinity are considered to undergo acceptable impacts in terms of daylight and sunlight.

Overlooking

- 10.48 The upper floors of the building would all be maintained in office use. Whilst the building would bulk out under the proposals, office use does not cause the same impact in terms of overlooking, given that office premises are predominantly used during the day. Accessible terraces are proposed for the offices at 5th, 7th, 8th, 9th and 10th floors. The impact from the proposed offices, including the terraces

is assessed below.

10.49 The closest residential properties around the site are located at Caxton Walk (Trentishoe Mansions) to the south-east and Phoenix Street and Stacey Street to the north. The relationship between the existing offices and Trentishoe Mansions is extremely tight, with a separation distance of just 11m. Whilst this is an existing relationship persons using the terraces could be perceived as intrusive especially later into the evening. Terraces would be introduced at all floor levels. Objections have been raised from local residents on overlooking from the rear terraces in particular which face the closest residential properties. Given the commercial nature as offices would mean the impact is predominantly during the day. Nevertheless, a condition is attached limiting the use of identified terraces as shown on the applicant's submitted "Use of Terraces by Occupiers" Plan to between 8am and 9pm.

10.50 Given that the terraces have been located to minimise overlooking, would serve offices and would be unlikely to be used for long periods or out of office hours, and with the condition limiting hours of use, officers consider there would be no material overlooking impact.

Noise and disturbance

10.51 The proposed development includes mechanical ventilation. An acoustic assessment has been carried out to support the planning application for the proposed new air source heat pumps at roof level within an enclosed plant area.

10.52 Appropriate noise guidelines have been followed within the report such as Noise Policy Statement for England, National Planning Policy Framework (NPPF), Planning Practice Guidance on Noise, BS 8233 Guidance on sound insulation and noise reduction for buildings, Camden Council's Local Plan, version June 2017 and BS 4142:2014 "Methods for rating and assessing industrial and commercial sound"..

10.53 The plant noise criteria have been adequately predicted, taking into consideration distance losses, surface acoustic reflections and, where applicable, screening provided by the building. It is recommended that an enclosure is installed around the plant.

10.54 The assessment indicates that the proposed mechanical plant installation should be capable of achieving the Camden's environmental noise criteria at the nearest and potentially most affected noise sensitive receptors.

10.55 Officers are satisfied that the submitted acoustic submission and associated technical details meets our local plan guidelines and therefore acceptable in environmental health terms, subject to conditions on noise and anti-vibration.

10.56 Objections have been raised on the grounds of noise from the terraces. Given that these serve office use and the size and amount of terraces and would normally therefore only be used during office hours, officers consider that with the recommended hours of use condition and standard condition to prevent any externally audible playing of music there would not be a material amenity impact from the terraces.

Conclusion

- 10.57 The submitted daylight and sunlight report demonstrates that the majority of the windows surveyed would meet the relevant BRE standards following completion of the proposed development; 81.1% of windows in terms of VSC, 85.5% of rooms in terms of NSL and 79.4% of windows with regards APSH. Of the windows that do not fully comply, the majority already have existing levels of daylighting that are relatively low with the absolute change in the level of daylighting being negligible. Officers consider that there would be some impact on residential neighbouring properties. However, the number of flats materially affected is low, as detailed above. Given the conclusions of the independent daylight consultant, whilst there would be some loss of light, it is not considered that this would be to a significant enough degree to warrant a refusal given the significant benefits to the scheme. Similarly for Phoenix Gardens whilst there would be some impact this is on balance considered acceptable in the context of the scheme benefits including to the public realm overall.
- 10.58 Given the nature of the office use, officers consider there would not be a material impact in terms of overlooking. Subject to conditions on hours of use of the terraces and to control noise and vibration from plant the proposals are considered acceptable on amenity grounds.

11 Air quality

- 11.1 Camden Local Plan policy CC4 is relevant with regards to air quality.
- 11.2 An Air Quality Assessment (AQA) and Air Quality Neutral Assessment have been submitted as part of this application.
- 11.3 The proposed development is located in an area of poor air quality. The development is considered air quality neutral. The Council's Air Quality officer has assessed the proposals and has no objections. The proposals are acceptable in air quality terms subject to conditions on the proposed oil-fuelled generator, mechanical ventilation, construction, air quality and non-road mobile machinery.

12 Sustainable design and construction

- 12.1 The sustainable design and construction considerations are as follows:

- Introduction and policy review
- The site and the proposal
- Redevelopment strategy
- Energy and carbon reductions
- Total carbon reductions
- Climate change adaptation and sustainable design
- Conclusion

Introduction and policy review

- 12.3 In November 2019, Camden Council formally declared a Climate and Ecological Emergency. The council adopted the Camden Climate Action Plan 2020-2025 which aims to achieve a net zero carbon Camden by 2030.

- 12.4 In line with London Plan (LP) policies, SI1, SI2, SI3, SI4, SI5 and SI7 and Camden Local Plan (CLP) policies CC1, CC2, CC3, and CC4, development should follow the core principles of sustainable development and circular economy, make the fullest contribution to the mitigation of and adaptation to climate change, to minimise carbon dioxide emissions and contribute to water conservation and sustainable urban drainage. Further details of each policy are set out in relevant sections below.
- 12.5 A Sustainability Statement, Circular Economy and Materials Statement, Energy Statement and BREEAM Pre-Assessment Report have been submitted as part of this application.

The site and the proposal

- 12.6 The proposal is a high density scheme in very close proximity to 'Excellent' public transport links (PTAL 6b). The scheme involves the reuse of an existing structure rather than the erection of a new structure. The principle of the scheme is therefore highly sustainable.

Redevelopment strategy

- 12.7 The development plan promotes circular economy principles and local plan policy CC1 and London Plan policy SI7 require proposals involving substantial demolition to demonstrate that it is not possible to retain and improve the existing building and to optimise resource efficiency.
- 12.8 In this case, the proposals seek to retain and extend upon the structural frame, and renewal the external envelope. It proposes to retain 74% by weight of the existing structure, including a majority of the floor slabs/ foundation/ core.
- 12.9 The proposed refurbishment is not considered a substantial demolition scheme due to the retention of large areas of floor plates and structure.
- 12.10 As part of the project, some demolition is necessary to facilitate the installation of new cores and remove existing setbacks for the additional floors. The demolition scope aims to retain as much of the original structure as possible while addressing technical challenges. As part of this application a Pre-demolition Audit has been submitted. The Materials Index Pre-Demolition Audit reporting that 74% (by weight of the existing building materials are retained insitu, <1% (by weight) is designated for on-site reuse, 3% (by weight) for off-site reuse, and 22% (by weight) designated to the waste stream/off-site recycling.
- 12.11 The primary circular economy focus on the refurbishment and retrofit approach emphasises high levels of material retention to minimise waste generation and preserve existing resources. A substantial portion of the materials is designated for retention, significantly reducing demolition, transport needs, and waste generation. Most retained materials are structural components.
- 12.12 The six Circular Economy Principles as defined in the GLA Circular Economy Guidance have been considered against four of six building layers. Considerations have been incorporated into the proposed design, to highlight a few:

- i. The skin of the building is proposed to be made with pre-cast materials and modular in nature allowing design flexibility to accommodate changes or expansions and ease of reconfiguration to ensure its future longevity. It is designed to be disassembled easily, benefiting recover and reuse; and
- ii. Its internal layout is proposed to be flexible and can be adapted for changing market demands and tenant requirements, economically viable allowing multiple tenancies.

12.13 The Circular Economy targets are proposed as follows: 90% reuse and recycling will be prioritised over recovery and landfill waste destinations; 95% reuse and recycling where targeted rates for diversion from landfill are reported when available; and 20% recycled content rates for new materials. The proposal looks to achieve at least 95% reuse/recycling/recovery of construction and demolition waste, with aspirations to achieve 98% diversion from landfill. Further, they propose that at least 90% reuse and recycling will be prioritised over recovery and landfill waste destinations. A minimum of 95% of excavation waste generated by the project works will be diverted from landfill for beneficial use. These proposals would meet the requirement, and would be secured through condition.

Energy and carbon reductions

12.14 To minimise operational carbon, development should follow the energy hierarchy set out in the London Plan (2021) Chapter 9 (particularly Policy SI2 and Figure 9.2) and major developments should meet the target for net zero carbon. The first stage of the energy hierarchy is to reduce demand (be lean), the second stage is to supply energy locally and efficiently (be clean), and the third step is to use renewable energy (be green). The final step is to monitor, verify and report on energy performance (be seen).

12.15 After carbon has been reduced as much as possible on-site, an offset fund payment can be made to achieve net zero carbon.

Energy and carbon summary

12.16 The following summary table shows how the proposal performs against the policy targets for operational carbon reductions in major schemes, set out in the London Plan and Camden Local Plan.

Policy requirement (on site)	Min policy target	Proposal reductions
Be lean stage (low demand): LP policy SI2	15%	19 %
Be green stage (renewables): CLP policy CC1	20%	10 %
Total carbon reduction: LP policy SI2 and LP CC1	35%	27%

Figure 42 - Carbon saving targets (for majors) and the scheme results

12.17 The operational carbon savings and measures set out below will be secured under an Energy and Sustainability Strategy secured by Section 106 legal agreement which includes monitoring, in compliance with the development plan.

Total carbon reductions

- 12.18 Reductions are measured against the baseline which are the requirements set out in the Building Regulations. Major development should aim to achieve an on-site reduction of at least 35% in regulated carbon emissions below the minimums set out in the building regulations (Part L of the Building Regulations 2021). To achieve net zero carbon, a carbon offset payment will be secured that offsets the remaining carbon emissions caused by the development after the required on-site reductions, measured from the agreed baseline.
- 12.19 This is charged at £95/tonne CO₂/yr (over a 30-year period) which is 119.51 tonnes x £95 x 30 years = £340,605. This amount will be spent on delivery of carbon reduction measures in the borough.
- 12.20 It is acknowledged that due to the changes to Part L 2021 with SAP10.2 carbon factors, these targets may be more challenging for non-residential developments to achieve initially. This is because the new Part L baseline now includes low carbon heating (like ASHP) for non-residential developments.
- 12.21 Residential development should be exceeding the target now, so GLA guidance has introduced a more challenging aspirational target of 50% on-site total savings that residential development should aim to achieve.
- 12.22 In this case, the development does not meet the policy target of 35% reductions, achieving an overall on-site reduction of 27% below Part L requirements as shown in Table Fig. 42 above. The carbon offset of £340,605 will be secured by Section 106 legal agreement to bring it to zero carbon, in compliance with the development plan.

Be lean stage (reduce energy demand)

- 12.23 London Plan policy SI 2 sets a policy target of at least a 15% (non-resi) reduction through reduced energy demand at the first stage of the energy hierarchy.
- 12.24 In this case, the development meets the policy target of 15% (non-resi), reducing emissions by 19% at this stage through energy efficient design, in compliance with the development plan. The proposals involve high performance insulation, low air permeability, and efficient glazing, and addresses the requirements of the cooling hierarchy and overheating which lowers the energy and cooling demand during the use of active cooling in the development. The proposal includes energy efficient measures like low energy light fittings, and MVHR with summer bypass allowing for free cooling when external conditions permit. The ventilation proposed also includes tempered air. The cooling is provided through the proposed ASHPs which include pumping for both chilled beams with radiant heating panels. It is connected with low temperature hot water systems (LTHW) circuit allowing heat to be extracted from areas that need cooling and transferred to areas that require heating.

Be clean stage (decentralised energy supply)

- 12.25 London Plan Policy SI3 requires developers to prioritise connection to existing or planned decentralised energy networks, where feasible, for the second stage of the energy hierarchy. Camden Local Plan policy CC1 requires all major

developments to assess the feasibility of connecting to an existing decentralised energy network, or where this is not possible establishing a new network.

- 12.26 In this case an assessment of the existing London heat map has been made and demonstrated that there are no existing local networks present within connectable range of the scheme / demonstrated that there are no existing local networks present within connectable range of the scheme. The development proposes a connection to a future planned local district heat network (DHN) which will allow heat to be injected into a loop via heat exchangers.
- 12.27 The applicant has also reached out to nearest proposed heat network, to the energy officer for South Westminster Area Network and for more details and confirmation of any proposals to extend the network closer to the site.
- 12.28 The provision of future connection to potential DHN would be secured through section 106 ensuring the allocation of space and construction design to install this.

Be green stage (renewables)

- 12.29 Camden Local Plan policy CC1 requires all developments to achieve a 20% reduction in CO2 emissions through renewable technologies (after savings at Be Lean and Be Clean), where feasible, for the third stage in the energy hierarchy.
- 12.30 In this case, the development does not meet the policy target of 20%, reducing emissions by 10% at this stage through renewables. The proposal includes 113 PV panels on the roof. A higher level of achievement has not been possible in common with many other developments of this type due to the prioritisation of ASHPs occupying the available external spaces which are assessed under the 'be lean' stage of the hierarchy. Full details of the PV panels will be secured by condition. A condition will also be added to secure a meter to monitor the energy output from the approved renewable energy systems. The proposal includes low carbon heating like Air Source Heat Pumps (ASHPs) is proposed on the roof of the building.

Be seen (energy monitoring)

- 12.31 The London Plan policy SI 2 requires the monitoring of energy demand and carbon emissions to ensure that planning commitments are being delivered. In this case, the development has committed to reporting. The proposal includes building management system.
- 12.32 The Energy and Sustainability Strategy secured by Section 106 legal agreement will secure reporting to the GLA in line with their published guidance.

Climate change adaption and sustainable design

- 12.33 Local Plan policy CC2 expects non-residential development arising from conversion, extension or change of use, to meet BREEAM Excellent. The proposed development at application stage performance meets BREEAM Excellent with the target score of 87.04%. The pre-assessment indicates that 71% of the energy credits will be targeted, 77% of the water and 78% of materials, which meets the requirements.

- 12.34 It includes sustainable drainage system including rain and grey water recycling, green roofs, free-standing attenuation tank of 300m³.
- 12.35 An overheating assessment is provided with dynamic thermal modelling (DTM) in reference to the CIBSE TM52. The cooling hierarchy has been applied by adopting passive measures such as reducing solar gain by managing daylight levels and façade orientation, replacement of windows with low g-value, urban greening strategies, LED lighting (reduce internal heat gains), maximise floor to ceiling height to the office areas, MVHR with free cooling and tempered air proposed. These measures have been proposed to minimise demand for active cooling. This is considered in line with policy CC2.
- 12.36 Information on the efficiency of ASHPs has not been submitted. High efficiency ASHPs should be selected for the proposed development, which may help improve the be green figures, reduce overall energy demands, limit the potential impact to the environment with a lowering global warming potential refrigerant. Details of this system will be secured by condition.

Conclusion

- 12.37 The proposals include energy-efficient measures. 74% of the existing building (by weight) would be retained on-site. This proposal improves upon the existing building through a retention-focused approach, minimising carbon impact and maximising reuse. The proposals are acceptable in sustainability and energy terms.

13 Flood risk and drainage

- 13.1 The development plan (CLP policy CC3 and LP policy SI12 and SI13) seeks to ensure development does not increase flood risk, reducing the risk of flooding where possible. Development should incorporate sustainable drainage systems (SUDS).
- 13.2 The site is not within a Local Flood Risk Zone; it is within Flood Zone 1 (where there is a 0.1% annual probability of flooding and a New Surface Water Risk area. The site is however within a Critical Drainage Area.
- 13.3 A Preliminary Environmental Risk Assessment and an Ecology Study have been submitted as part of this application.
- 13.4 SUDS would be employed in the proposals in the form of a 614sqm green roof and 300sqm attenuation tank. Conditions are attached accordingly.
- 13.5 The Lead Local Flood Authority has been consulted and has no objections, subject to conditions on details of SUDS.

14 Accessibility

- 14.1 A Design and Access Statement was submitted as part of this application. The proposed office and retail entrances would be step-free and wide. The redesigned Open Spaces have been designed to be fully accessible to the public, including the new through route.

15 Transport

15.1 The following transport considerations are covered below:

- Policy review
- Site location and access to public transport
- Trip generation
- Travel planning
- Access and permeability
- Cycle parking
- Car parking and vehicle access
- Construction management
- Deliveries and servicing
- Highway works
- Public realm enhancements
- Pedestrian, Cycling and Environmental Improvements
- Micro and shared mobility improvements

Policy review

15.2 Policy T1 of the Local Plan promotes sustainable transport by prioritising walking, cycling and public transport in the borough. Policy T2 seeks to limit the availability of car parking and requires all new developments in the borough to be car-free.

15.3 Policy T3 sets out how the Council will seek improvements to transport infrastructure in the borough. Policy T4 addresses how the Council will promote the sustainable movement of goods and materials and seeks to minimise the movement of goods and materials by road.

15.4 Of particular importance to this development is the close proximity of the Holborn Liveable Neighbourhood (HLN) scheme, and the Shaftesbury Avenue Safe and Healthy Streets scheme which are infrastructure priorities referenced in the emerging local plan.

15.5 [Camden's Transport Strategy](#) (CTS) aims to transform transport and mobility in Camden, enabling and encouraging people to travel, and goods to be transported, healthily and sustainably. The CTS sets the Council's objectives, policies, and measures for achieving this goal.

15.6 The Council's priorities include:

- increasing walking and cycling
- improving public transport in the Borough
- reducing car ownership and use
- improving the quality of our air
- making our streets and transport networks safe, accessible, and inclusive for all.

15.7 On 13th November 2024, Camden Council's Cabinet agreed to implement the next phase of the CTS for 2025 to 2028, investing in more environmentally friendly, healthier forms of travel and creating more welcoming streets and

neighbourhoods. The strategy includes commitments, all of which are pertinent to this application, and which will be expanded upon in later sections, to:

- implement the Shaftesbury Avenue Safe and Healthy Streets scheme, which includes:
 - new segregated cycle lanes on Shaftesbury Avenue.
 - establishing cycle links with the existing cycleways on Gower Street/Bloomsbury Way/Shaftesbury Avenue in the north, the Holborn Liveable Neighbourhood, and other Safe and Healthy Streets projects within the area.
 - changes to traffic management on New Compton Street, Stacey Street and Phoenix Street.
 - footways widening, narrowing of side road junctions and introduction of new and improved pedestrian crossings.
 - St Giles Passage and Stacey Street improvements.
- continue to expand our dockless bike and e-scooter hire network, and
- to contribute towards the implementation of the CTS Cycling Action Plan and Walking and Accessibility Action Plan.

15.8 Camden's Clean Air Action Plan and Climate Action Plan also contain policies which are relevant to the transport assessment.

Site location and access to public transport

15.9 The site has a Public Transport Accessibility Level (PTAL) of 6b (Excellent), which is the highest.

15.10 The site is bounded by Charing Cross Road to the south-west, Phoenix Street to the north-west, Stacey Street to the north-east and Shaftesbury Avenue to the south-east. Shaftesbury Avenue forms part of the Strategic Road Network (SRN). The Council is the highway authority for the roads surrounding the site and is therefore responsible for their maintenance. However, TfL has a duty under the Traffic Management Act 2004 to ensure that any development does not have an adverse impact on the SRN.

15.11 The closest London Underground stations Covent Garden and Leicester Square in Westminster are located approximately 250m south and 550m south-east of the site, whilst Tottenham Court Road and Holborn in Camden are located approximately 400m north and 700m north east of the site, respectively. Tottenham Court Road station also provides Elizabeth Line services. Numerous bus stops serve the site from Cambridge Circus, St Giles High Street and Tottenham Court Road.

15.12 The site is easily accessible from the Strategic Cycle Network with Cycleway C10 to the east at Endell Street and C52 at Great Queen Street.

15.13 The nearest Santander cycle hire docking station is located on Moor Street in Westminster approximately 200m southwest of the site.

15.14 There are dedicated parking bays for dockless rental e-bikes and rental e-scooters in the area, namely on St Giles High Street, Earlham Street and Tower Street. However, these bays are already showing signs of overcapacity and

increasing demand. Camden Transport has commissioned a project to identify Shared Transport Availability Level (STAL) which mirrors a PTAL rating, but in this case only including shared transport modes: Car Clubs, Santander bicycles, E-scooters, and Cycle Hire bays. The STAL analysis shows very low grades of 0 - 3 in the area which indicates significant opportunities for improvement, considering it is our aspiration (and target) for the STAL score to be 6b. The Council has plans to expand the network of dockless rental e-bikes and rental e-scooter bays in the area.

Trip generation

- 15.15 The site has largely been vacant since 2023, although some parts of the building have recently been occupied for meanwhile uses. The proposed development will provide 33,297 sqm GIA floorspace:

~ 32,435 sqm office use, a net increase of 14,332 sqm, and
 ~ 862 sqm retail, a net reduction of 3,888 sqm.

- 15.16 The TRICS database was used to derive the anticipated total person trip rates for the proposed office development. With regards to the proposed retail units, it was assumed that these would mostly serve pass-by pedestrian trips along Charing Cross Road and Shaftesbury Avenue and were therefore not considered a destination to be included in the trip generation analysis. Whilst this analogy can be accepted to a certain extent, it is worth considering that a particular or unique retail business may well be a specific destination in its own right which attracts new visits.

- 15.17 Table 11 presented in the TA and reproduced here, shows the anticipated total multi-modal person trip rates for the proposed development.

Mode	Mode Share	AM Peak			PM Peak		
		In	Out	Total	In	Out	Total
Underground	40%	308	30	338	20	290	310
Train	24%	185	18	203	12	174	186
Bus	14%	108	10	118	7	102	109
Taxi	1%	8	0	8	1	7	8
Motorcycle	1%	8	0	8	1	7	8
Car Driver	0%	0	0	0	0	0	0
Car Passenger	1%	8	1	9	0	8	8
Bicycle	10%	77	8	85	5	73	78
On Foot	9%	69	7	76	4	65	69
Total	100%	771	74	845	50	726	776

- 15.18 Based on other developments in the area, it is anticipated that a high volume of the walking trips are likely to be made from Covent Garden, Leicester Square, Tottenham Court Road and Holborn London Underground stations, bus stops at

Cambridge Circus, St Giles High Street and Tottenham Court Road, and commercial, entertainment, shopping, and restaurant venues in Holborn.

- 15.19 Considering the increase in active travel to and from the site, the applicant would be requested to provide a financial contribution towards the aforementioned HLN project and segregated cycle lanes on Shaftesbury Avenue.
- 15.20 The Active Travel Zone (ATZ) assessment included in the TA focuses on 5 routes to key destinations. The analysis shows some areas would benefit from better footway quality and improved lighting and rest areas.

Travel planning

- 15.21 A Draft Framework Travel Plan was provided in support of the planning application. This is welcomed as it demonstrates a commitment to encouraging and promoting trips by sustainable modes of transport. The targets for active travel are acceptable.
- 15.22 A more detailed Workplace Travel Plan and associated monitoring and measures contribution of £11,348 would be secured by S106 legal agreement if planning permission is granted.

Access and permeability

- 15.23 The main pedestrian access to the office is proposed from Charing Cross Road.
- 15.24 The ground floor retail units would front onto Shaftesbury Avenue, Charing Cross Road, Phoenix Street, and Stacey Street and into the new pedestrian route.
- 15.25 The proposal would provide a new pedestrian route through the site, connecting Stacey Street and Charing Cross Road. The route would create a safe and step free access, be able to accommodate wheelchair and disabled users, and provide free access 24 hours a day, 7 days a week.
- 15.26 Cycle access will be provided from Phoenix Street for the office use and the new pedestrian route for the retail premises.
- 15.27 Servicing will take place on site with access from Stacey Street.

Cycle parking

- 15.28 The Council requires high quality cycle parking to be provided in accordance with Local Plan Policy T1, CPG Transport, the London Cycling Design Standards (LCDS), and London Plan Policy T5 for:

~ A2-A5 (cafes & restaurants)

- 1 space per 175 sqm (GEA) long stay.
- 1 space per 20 sqm (GEA) short stay.

~ B1 use (business offices)

- 1 space per 75 sqm (GEA) long stay.
- first 5,000 sqm 1 space per 500 sqm, thereafter 1 space per 5,000 sqm (GEA) short stay.

15.29 430 long-stay cycle parking spaces for office use would be provided in the basement and accessed from Phoenix Street via an automated cycle staircase ramp and LCDS compliant lift. These will comprise:

- ~ Standard cycles: 364 in two-tier format (83%)
- ~ Folding cycles: 44 (12%)
- ~ Non-standard / large / adapted cycles: 22 (5%)

15.30 It is considered appropriate to allocate at least 5% (22 spaces) of total cycle provision to Sheffield stands, the most accessible cycle parking system, which will be secured by condition as an amendment to the above provision.

15.31 16 long-stay stay spaces for retail and 6 long-stay stay spaces for the affordable workspace would be located on the ground level, accessed from the new public route.

15.32 16 short-stay spaces are proposed to be provided in the form of folding bikes in the BMO office. However this is not considered sufficient to fulfill the Council's visitor cycle parking standard for retail development because it cannot be expected that all visitors will arrive using folding bikes.

15.33 There is limited space within the public realm to position the required retail short-stay cycle spaces. The applicant has agreed to offer a contribution towards the shortfall of short stay retail spaces. It is therefore requested to secure £4,500, via S106 legal agreement, towards 16 Sheffield stands to be provided on the public highway in a suitable location close to the site.

Car parking and vehicle access

15.34 The site is located in controlled parking zone CA-C (Single Yellow lines), which operates 08:30-18:30 Monday to Friday and 08:30-18:30 on Saturday, with 24hrs Residents Bays.

15.35 The existing basement ramp access from Stacey Street and the basement car park with 21 bays will be removed. The development is proposed as car-free, which would be secured by S106 legal agreement if planning consent were granted.

15.36 Regarding disabled parking, London Plan Policy T6.5 'Non-residential disabled persons parking,' section A states: '...all non-residential elements should provide access to at least one on or off-street disabled persons parking bay.' Furthermore, lower case text in the London Plan Clause 10.6.23 recommends: 'All proposals should include an appropriate amount of Blue Badge parking, providing at least one space even if no general parking is provided.'

15.37 Paragraph 5.19 of the Camden Planning Guidance on Transport states: 'For all major developments the Council will expect that disabled car parking is accommodated on-site.' Paragraph 5.20 further informs: 'in any case the maximum distance Blue Badge holders should be expected to travel is 50 metres from the entrance to the site'.

15.38 'National disability, accessibility and blue badge statistics: 2021 to 2022'

published on 18 January 2023, report that on 31 March 2022, 4.3% of the population held a Blue Badge, an increase of 3.6% since March 2021.

- 15.39 Therefore, it is appropriate to seek an off-site contribution of £4,000 for a disabled parking space to be provided on the public highway in a suitable location within 50m from the site.
- 15.40 Officers expect the vast majority of staff and visitors to travel to the site by sustainable modes of transport. However, there is potential for some visitors with electric vehicles to drive to the site with a view to parking in an 'Electric Vehicles Only' parking bay in the controlled parking zone. The uptake of electric vehicles is increasing significantly, and there are many EV resident permit holders in the vicinity of the site. This would put pressure on infrastructure which has been provided primarily for local stakeholders. Officers therefore suggest that an additional electric vehicle charging point (fast charger) be provided on the public highway in the general vicinity of the site. A financial contribution of £20,000 will be secured by S106 legal agreement in accordance with Local Plan Policy A1 if planning permission were granted.

CPZ Review

- 15.41 Objective 2 of the CTS sets out to reduce car ownership and use, and motor traffic levels in Camden, and features several measures in support of achieving this objective. One of the measures is 2d, which states that the Council will 'undertake a study to provide a robust evidence base using all relevant data and local context to identify where amendments to Controlled Parking Zone (CPZ) hours of control or size will have an impact on car ownership and car use, and use that study to help guide future reviews and decisions.'
- 15.42 In alignment with that action, Camden's Controlled Parking Zones (CPZ) Review final report, which was published in February 2023, independently appraised all of Camden CPZs using a multi-criteria assessment. The findings show that there is a greater need to manage parking demand in the borough through the hours of CPZ controls. The CPZ Assessment Results show that CA-C CPZ performed relatively poorly in terms of the impact of its current hours of control in helping manage demand, and was attributed a "Red" RAG status, which present the greatest need and/or justification for increasing the regulation parking. The review recommends, amongst others, that the CA-C hours of operation of single yellow lines and sessional P&D parking are extended subject to consultation and decision-making processes.
- 15.43 At present, the CA-C CPZ control hours do not extend into the evening, which presents an opportunity for visitors to drive to the site and park on street outside of hours of control, or indeed within hours, using paid for parking/visitor vouchers. This has a potential to increase on-street parking pressure which may drive demand for CPZ reviews. Considering the scale and the location of the proposed development, it is appropriate to request a contribution of £30,000 towards the CA-C CPZ review, which is likely to take place in 2025/26.

Construction management

- 15.44 Construction management plans are used to demonstrate how developments will minimise impacts from the movement of goods and materials during the

construction process (including any demolition works). A draft Construction/Demolition Management Plan using the Council's CMP pro-forma is provided in support of the planning application. However, in absence of a principal contractor, the document lacks some of the necessary detail and is therefore considered accordingly.

- 15.45 Traffic congestion is a significant problem in this part of the borough, particularly during peak periods but often throughout the day on Monday to Friday. Our primary concern is public safety, but we also need to ensure that construction traffic does not create (or add to existing) traffic congestion in the local area. The proposal is also likely to lead to a variety of amenity issues for local people (e.g., noise, vibration, air quality, temporary loss of parking, etc). The Council needs to ensure that the development can be implemented without being detrimental to amenity or the safe and efficient operation of the highway network in the local area.
- 15.46 The draft CMP includes proposals to service the site from Stacey Street, where the construction access/egress will be taken from which would minimise impacts on Shaftesbury Avenue.
- 15.47 The Council will expect construction vehicle movements to and from the site to be scheduled to avoid peak periods to minimise the impacts of construction on the transport network. The site is within the Cumulative Impact Area (CIA) where Saturday working is not permitted, unless agreed with Camden Council.
- 15.48 Proposals are also being brought forward concurrently with this scheme by a different applicant on the neighbouring site at 135 Shaftesbury Avenue (application refs. 2024/0993/P & 2024/1005/L. If these developments construction programmes overlap they need to co-ordinate their construction activity to avoid conflicts and minimise impact
- 15.49 A CMP document will also be secured by legal agreement in accordance with Local Plan Policy A1 if planning permission is granted.
- 15.50 The development will require input from officers at demolition and construction stage. This will relate to the development and assessment of the CMP as well as ongoing monitoring and enforcement of the CMP during demolition and construction.
- 15.51 Implementation support contributions of £30,513 and construction impact bonds of £32,000 for the demolition and construction phases of the development works will be secured by S106 legal agreement in accordance with Local Plan Policy A1 if planning permission is granted.
- 15.52 The contractor would need to register the works with the Considerate Constructors' Scheme. The contractor will also need to adhere to the CLOCS standard for Construction Logistics and Community Safety.
- 15.53 A further requirement to form a construction working group consisting of representatives from the local community prior to commencement of demolition or construction will also be secured by S106 legal agreement if planning

permission is granted.

Deliveries and servicing

- 15.54 A draft Delivery and Servicing Plan was provided with the application. The proposed development is expected to generate an increase of 20 servicing trips per day. The applicant is requested to provide details of the total servicing trips.
- 15.55 All commercial servicing and refuse collection would take place within the site directly with access from Stacey Street. The service yard can accommodate two large vehicles, including a 7.5m box van and a 10m refuse vehicle. Cargo bike spaces are available to use the refuse vehicle bay when it is unoccupied.
- 15.56 Most delivery and servicing activity to the site would take place using a Ford Transit Custom or Luton Type van. Delivery vehicles up to a 7.5T Panel Van / 10m rigid can be accommodated within the on-site loading bay. The largest vehicle expected to regularly access the site would be a refuse vehicle, which can reverse into the loading bay. The vehicle swept paths analysis is considered acceptable.
- 15.57 A detailed DSP would be secured by S106 legal agreement if planning permission were granted. This will help to ensure that any operational impacts associated with delivery and servicing movements will be mitigated.

Highway works

- 15.58 The proposed development will require some demolition and construction works which may cause damage to the public highway. It is suggested that a highways contribution of £30,000 be secured by legal agreement if planning permission is granted.

Public realm enhancements

- 15.59 The Council is exploring opportunities to enhance the streetscape on St Giles Passage, Phoenix Street, and Stacey Street which will include:
- new low-level planting, trees, and better seating;
 - road safety improvements and pavement widening; and
 - repaving or step-free access to the St Giles in the Fields' churchyard.

- 15.60 We would seek a contribution of £150,000 towards these works, which would be included within the pedestrian, cycling and environmental improvements (see below).

Pedestrian, cycling and environmental improvements

- 15.61 In line with the projected increase in walking and cycle trips generated by the development and further promoted by the Travel Plan, and the need for pedestrian, road safety and public realm enhancements, we will seek a contribution of £618,000 towards several improvement schemes to enhance the pedestrian and cycling environment in the vicinity of the site:
- **Shaftesbury Avenue Safe and Healthy Streets scheme**, which includes
 - new segregated cycle lanes on Shaftesbury Avenue, from St Giles High Street to Charing Cross Road, to strengthen a north-south strategic cycling

corridor, and establish links with the existing cycleways on Gower Street/Bloomsbury Way/Shaftesbury Avenue in the north, the Holborn Liveable Neighbourhood, and other Safe and Healthy Streets projects within the area,

- new continuous footway across New Compton Street at the junction with St Giles High Street, and across Stacey Street at the junction with Shaftesbury Avenue,
 - pedestrian and cycle zone on St Giles Passage,
 - footways widening, narrowing of side road junctions and introduction of new pedestrian crossings.
- HLN project - It is the Council's intention to transform Holborn into a place for people with attractive, healthy, accessible, and safe streets for everyone, and ensure getting around by sustainable and healthy types of transport is easier and faster. To achieve this, we are creating ideas for transforming the area through various measures, schemes in close proximity to the site entail
- improvements for pedestrians at the High Holborn (A40) junction with Shaftesbury Avenue,
 - wider pavements on Grape Street and improved feel of the area.

- 15.62 The requested PCE contribution is in line with the previous application for this site, 2016/5202/P, taking account of the uplift in floorspace and inflation. It is considered to be fair, reasonable, proportionate and necessary to mitigate the impact of the development, and would be secured by S106 legal agreement if planning permission were granted.

Micro and shared mobility improvements

- 15.63 Parking bays for dockless rental e-bikes and rental e-scooters are located nearby. However, these merely provide capacity for existing usage by residents and people who work in or visit the area.
- 15.64 We anticipate significant demand for more parking bays to be provided in the area should planning permission be granted. Considering the STAL analysis shows low grades of 0 - 3 throughout the area whilst our target is 6b, this indicates significant opportunities for improvement.
- 15.65 A cycle/e-scooter hire improvements contribution of £10,000 would therefore be secured as a Section 106 planning obligation if planning permission is granted. This would allow the Council to provide additional capacity for the parking of dockless rental e-bikes and rental e-scooters in the local area (e.g., by expanding existing bays and providing additional bays). Officers anticipate staff and visitors using these modes of transport as an alternative to public transport, especially when their primary mode of transport is rail with a secondary trip by micromobility vehicles.

Conclusion

- 15.66 The proposal is acceptable in terms of transport implications subject to the following conditions and planning obligations being secured by S106 legal agreement:

- Travel Plan and associated monitoring and measures contribution of £11,348.
- Car-free development, including removal of the existing on-site car parking.

- Provision of 16 Sheffield stands contribution of £4,500
- Provision of off-site disabled parking space of £4,000
- Electric vehicle charging infrastructure (fast charger) contribution of £20,000.
- CA-C CPZ review contribution of £30,000.
- Construction management plan (CMP) implementation support contribution of £30,513 and CMP Impact Bond of £32,000.
- Requirement to form a construction working group consisting of representatives from the local community.
- Delivery and Servicing Plan.
- Highway works contribution of £30,000.
- Pedestrian, Cycling and Environmental Improvements contribution £618,000.
- Micromobility improvements contribution of £10,000.

16 Safety and security

- 16.1 Camden Local Plan policy C5 and CPG1 (Design) are relevant with regards to secure by design.
- 16.2 A Security Needs Assessment was submitted as part of this application.
- 16.3 The Metropolitan Police were consulted prior to the application being submitted and was involved in the design process.
- 16.4 There are issues of anti-social behaviour in the area. The scheme must address these issues and create a safe and pleasant environment.
- 16.5 The proposal features the reinstatement of the route connecting Old Compton Street and New Compton Street. Increasing permeability encourages natural surveillance and discourages anti-social behaviour. Council officers have been in discussion with the applicant over whether the new passageway should be gated at night. Some local residents have raised concerns regarding the passageway being open at night. It is recognised that this route could attract anti-social behaviour, however, it is considered better for the route to be open than to close gates that would create dead-end areas. Caxton Walk suffers from anti-social behaviour at present, largely due to being a dead-end space. The proposed through-route has been designed to be straight and therefore offers no hiding places. The area outside of the gates at the western end of the route is overlooked directly by the lobby and can be monitored by the security staff (who will be on site 24hrs). In addition, this area would be covered by CCTV. Given the above, officers consider that it is preferable for the route to remain open and a section 106 obligation is recommended requiring this. Should the passage being open at night give rise to anti-social behaviour then the applicant could apply to the Council to remove this obligation, although a justification would be required.
- 16.6 The office reception would be controlled. A management company would be responsible for managing CCTV in and around the site. Lighting will also be employed as a security measure. The details of a CCTV and lighting strategy to the proposed through-route would be secured by condition.

17 Refuse and recycling

- 17.1 Policy CC5 and Camden Planning Guidance Design are relevant with regards to waste and recycling storage and seek to ensure that appropriate storage for waste and recyclables is provided in all developments.
- 17.2 An Operational Waste Management Strategy has been submitted as part of this application.
- 17.3 A loading bay at ground floor would be used to store waste, with additional storage at basement level. There would be daily waste collections.
- 17.4 Officers consider that the refuse and recycling storage and also the proposed waste collection arrangements are appropriate.

18 Fire Safety

- 18.1 Policy D12 (Fire safety) of the London Plan requires all major development proposals to be submitted with a Fire Statement. London Plan Policy D5 (Inclusive Design) also requires schemes to incorporate safe and dignified emergency evacuation and suitable fire safe strategies. The application has been supported by a Fire Statement which includes details of the fire strategy including means of escape.
- 18.2 The fire strategy is prepared by a qualified fire consultant and meets the requirements of London Plan policies D12 and D5. Compliance with the strategy is secured by condition.

19 Employment and training opportunities

- 19.1 The proposed development is a large development providing significant new commercial space. The scheme has significant potential for job creation and could generate significant local economic benefits. Policies E1 and E2 seek to secure employment and training opportunities for local residents and opportunities for businesses based in the Borough to secure contracts to provide goods and services. CPG Employment Sites and Business Premises (2021) sets out that the Council will use S106 agreements to secure local employment and training initiatives and an element of affordable workspace from large scale employment schemes.
- 19.2 As was set out in the Land Use section, this scheme involves a significant increase in employment floorspace, and therefore a net increase in jobs.
- 19.3 There is an expectation that the scheme should deliver a further range of training and employment benefits to provide opportunities during the construction and end use phase for local residents and businesses. This package of recruitment, apprenticeship and procurement measures will be secured via S106 legal agreement and will comprise:
- Construction apprenticeships and work placement opportunities through the Euston
 - Local employment;
 - Local Procurement; and
 - Work apprenticeships.

- 19.4 An Employment and Skills Strategy and a Regeneration Statement were submitted as part of this application. This sets out a draft framework for delivering the employment and skills opportunities required by policy. The applicant in this case will be responsible for construction, estate management and maintenance of the site which allows them to provide a long-term commitment to invest in employment, education and skills opportunities. Officers welcome the commitment in this document to delivering local employment outcomes in both the construction and end use phases of the development.
- 19.5 It is welcome that the developer has already had discussions with the Council's Inclusive Economy Team around opportunities for residents in both operational construction roles, together with design and management.
- 19.6 A strong package of employment and training obligations for both the construction and end use phase would be secured through a Section 106 legal agreement (see section on Planning obligations).
- 19.7 The application would support 2,165 jobs directly onsite and 1,083 indirect jobs across London. In addition, there would be 225 direct and indirect construction jobs supported per year during the course of construction. Using the proposed build cost, this would generate 48 construction apprentices and 25 construction work experience placements. The applicant would work with the Euston Skills Centre to find these apprentices. The applicant has agreed to sign up to Local Procurement with a target of 10% and to STEAM.
- 19.8 As the end use occupiers are not known at this stage, we would seek to ensure that the aim and obligations in respect of employment and skills are transferred to the end users as part of their subsequent lease arrangements. These would be secured in the long term by:
- Joining the Council's Inclusive Business Network and promoting this and good employment practice to occupiers
 - Working with the council to deliver work experience placements through the hotel.
 - Working with Good Work Camden/the Council's Inclusive Economy Service to recruit to vacancies locally Work with Good Work Camden/the Council's Inclusive Economy Service to offer specific opportunities to those furthest from the labour market, possibly through supported employment initiatives
- 19.9 A contribution of up to £311,610 would be secured to develop STEAM-related apprenticeships.

20 Planning obligations

- 20.1 The following obligations are required to meet planning policy and mitigate the impact of the development upon the local area. These heads of terms will mitigate any impact of the proposal on the infrastructure of the area.

Contribution	Amount (£)
Employment and training contribution	311,610
Employment and Training Measures	N/A
Affordable workspace	N/A
Affordable Housing PIL	3,912,750
Highways	30,000
Pedestrian, cycling and environmental contributions	618,000.
DSP	N/A
CMP	N/A
CMP monitoring/implementation support	30,513
CMP bond	32,000
Construction Working Group (CWG)	N/A
Car-free and removal of on-site car parking	N/A
Micromobility improvements	10,000.
Electric vehicle charging	20,000
CA-C CPZ review	£30,000
Provision of 16 Sheffield stands	£4,500
Provision of off-site disabled parking space	£4,000
Monitoring and reviewing the Travel Plan	11,348
Carbon off-set	340,605
Energy and Sustainability Plans including future proofing connection to a district heating network	N/A
Architect retention	N/A
Provision for keeping new pedestrian route open 24 hours	N/A
Walkways agreement – to preserve public right of way of through route	N/A
TOTAL	5,355,326

21 Mayor of London's Crossrail CIL

- 21.1 The proposal will be liable for the Mayor of London's Community Infrastructure Levy (CIL). Based on the Mayor's CIL charging schedule and the information provided as part of the application, the Mayoral CIL calculates to £6,622,205.64. This would be collected by Camden after the scheme is implemented and could be subject to surcharges for failure to assume liability, submit a commencement notice and late payment, and subject to indexation in line with the construction costs index.

22 Camden CIL

- 22.1 The proposal would be liable for the Camden Community Infrastructure Levy (CIL). Therefore the estimate based on the uplift of floorspace and the proportion of commercial floorspace proposed, the Camden CIL liability is £3,829,673.93.

23 CONCLUSION

- 23.1 The proposal would provide a significant increase in office use with a significant increase in jobs on the site. The proposals would deliver modern, flexible and accessible offices which would be a great improvement on the existing accommodation, and bring a vacant building back into use. Alongside this to support SMEs and to ensure local people benefit from the scheme it includes affordable workspace and a package of employment and training measures. The proposed ground floor retail uses would contribute to the vitality of the area.
- 23.2 Officers accept in this case that on-site housing is not feasible and consider that the proposed financial contribution towards housing is acceptable. Given the viability challenges it is accepted that full PIL is not possible. The funding support the delivery of affordable homes in the locality.
- 23.3 The proposal would not harm any heritage assets in the area. The proposed elevations are a significant upgrade on the existing, with a character, richness and architectural merit that responds to its many contexts.
- 23.4 The provision of the public route though would bring benefits in terms of permeability and townscape.
- 23.5 The proposed development would not materially impact on amenity in terms of overlooking or noise. With regards to loss of daylight and sunlight, there would be some impact, and in the case of 1a Phoenix Street a conflict with policy A1, though this impact is considered acceptable on balance and considering the development plan as a whole, given the number of affected habitable rooms and the overall benefits of the scheme.
- 23.6 The proposals include energy-efficient measures. 74% of the existing building (by weight) would be retained on-site. This proposals improve the existing building through a retention-focused approach, minimising carbon impact and

maximising reuse. The proposals are acceptable in sustainability and energy terms.

23.7 The proposal is acceptable in transport terms subject to conditions and section 106 obligations.

23.8 Officers are of the view that the employment, architectural benefits of the proposal are substantial. The contribution towards affordable housing in the area is also considered a significant benefit, as is the provision of the new through route. Given the above, on balance, the proposals are considered acceptable.

24 RECOMMENDATION

24.1 Planning Permission is recommended subject to conditions and a Section 106 Legal Agreement covering the following Heads of Terms:-

- Affordable housing - £3,912,750
- Affordable workspace – 415sqm at 40% discount for 10 years.
- Employment and training measures including:
 - Construction apprenticeships and work placement opportunities through the Euston
 - Local employment;
 - Local Procurement; and
 - Work apprenticeships.
- Affordable workspace
- Employment and training contribution of £311,610
- Energy and sustainability plans
- Sustainability measures to be secured through S106 sustainability plan indicating BREEAM Excellent with the target score of 87.04%. Minimum credit targets of 71% energy, 77% of the water and 78% of materials.
- £340,605 carbon offset contributions
- Future proofing details to a District Heating Network
- Open space improvements to be completed within 6 months of occupation
- A walkways agreement – to ensure that developer would not take away public right of way of approved through route, without prior agreement with the Council
- The through route shall remain open 24 hours a day, 7 days a week unless otherwise agreed in writing by the Council
- Delivery and Servicing Plan
- Construction Management Plan (CMP)
- CMP Implementation Support Contribution of £30,513
- CMP bond £32,000
- Construction working group
- Financial contribution for highway works £30,000
- Financial contribution for pedestrian, cycling and environmental improvements in the general vicinity of the site (i.e. aspects of the wider vision for public realm improvements within the public highway) £618,000
- Travel Plan, monitoring and measures contribution £11,348
- Micromobility improvements 10,000.

- Electric vehicle charging 20,000
- CA-C CPZ review £30,000
- Provision of 16 Sheffield stands £4,500
- Provision of off-site disabled parking space £4,000
- Car free and removal of on-site car parking
- Architect retention

25 LEGAL COMMENTS

25.1 Members are referred to the note from the Legal Division at the start of the Agenda.

26 CONDITIONS

1	<p>Three years from the date of this permission</p> <p>This development must be begun not later than three years from the date of this permission.</p> <p>Reason: In order to comply with the provisions of Section 92 of the Town and Country Planning Act 1990 (as amended).</p>
2	<p>Approved drawings</p> <p>The development hereby permitted shall be carried out in accordance with the following approved plans:</p> <p>Existing plans 125SA-DSD-ZZ-00-DR-A-10020; 125SA-DSD-ZZ-00-DR-A-10021; 125SA-DSD-ZZ-B1-DR-A-10099; 125SA-DSD-ZZ-B1-DR-A-10099M; 125SA-DSD-ZZ-00-DR-A-10000; 125SA-DSD-ZZ-00-DR-A-10000M; 125SA-DSD-ZZ-01-DR-A-10001; 125SA-DSD-ZZ-02-DR-A-10002; 125SA-DSD-ZZ-03-DR-A-10003; 125SA-DSD-ZZ-04-DR-A-10004; 125SA-DSD-ZZ-05-DR-A-10005; 125SA-DSD-ZZ-06-DR-A-10006; 125SA-DSD-ZZ-07-DR-A-10007; 125SA-DSD-ZZ-08-DR-A-10008; 125SA-DSD-ZZ-09-DR-A-10009; 125SA-DSD-ZZ-10-DR-A-10010; 125SA-DSD-ZZ-RF-DR-A-10011; 125SA-DSD-ZZ-ZZ-DR-A-23001; 125SA-DSD-ZZ-ZZ-DR-A-23002; 125SA-DSD-ZZ-ZZ-DR-A-23003; 125SA-DSD-ZZ-ZZ-DR-A-24001; 125SA-DSD-ZZ-ZZ-DR-A-24002; 125SA-DSD-ZZ-ZZ-DR-A-24003; 125SA-DSD-ZZ-ZZ-DR-A-24004.</p> <p>Demolition plans 125SA-DSD-ZZ-B1-DR-A-11099; 125SA-DSD-ZZ-B1-DR-A-11099M; 125SA-DSD-ZZ-00-DR-A-11000; 125SA-DSD-ZZ-00-DR-A-11000M; 125SA-DSD-ZZ-01-DR-A-11001; 125SA-DSD-ZZ-02-DR-A-11002; 125SA-DSD-ZZ-03-DR-A-11003; 125SA-DSD-ZZ-04-DR-A-11004; 125SA-DSD-ZZ-05-DR-A-11005; 125SA-DSD-ZZ-06-DR-A-11006; 125SA-DSD-ZZ-07-DR-A-11007; 125SA-DSD-ZZ-08-DR-A-11008; 125SA-DSD-ZZ-09-DR-A-11009; 125SA-DSD-ZZ-10-DR-A-11010; 125SA-DSD-ZZ-RF-DR-A-11011; 125SA-DSD-ZZ-ZZ-DR-A-23101; 125SA-DSD-ZZ-ZZ-DR-A-23102; 125SA-DSD-ZZ-ZZ-DR-A-23103; 125SA-DSD-ZZ-ZZ-DR-A-24101; 125SA-DSD-ZZ-ZZ-DR-A-24102; 125SA-DSD-ZZ-ZZ-DR-A-24103; 125SA-DSD-ZZ-ZZ-DR-A-24104</p> <p>Proposed plans 125SA-DSD-ZZ-B1-DR-A-20118; 125SA-DSD-ZZ-00-DR-A-20120; 125SA-DSD-ZZ-01-DR-A-20121; 125SA-DSD-ZZ-02-DR-A-20122; 125SA-DSD-ZZ-03-DR-A-20123; 125SA-DSD-ZZ-04-DR-A-20124; 125SA-DSD-ZZ-05-DR-A-20125; 125SA-DSD-ZZ-06-DR-A-20126; 125SA-DSD-ZZ-07-DR-A-20127; 125SA-DSD-ZZ-08-DR-A-20128; 125SA-DSD-ZZ-09-DR-A-20129; 125SA-DSD-ZZ-10-DR-A-20130; 125SA-DSD-ZZ-11-DR-A-20131; 125SA-DSD-ZZ-12-DR-A-20132; 125SA-DSD-ZZ-RF-DR-A-20133; 125SA-DSD-ZZ-00-DR-A-20143; 125SA-DSD-ZZ-02-DR-A-20145; 125SA-DSD-ZZ-03-DR-A-20146; 125SA-DSD-ZZ-04-DR-A-20147; 125SA-DSD-ZZ-05-DR-A-20148; 125SA-DSD-ZZ-06-DR-A-20149; 125SA-DSD-ZZ-07-DR-A-20150; 125SA-DSD-ZZ-08-DR-A-20151; 125SA-DSD-ZZ-09-DR-A-20152; 125SA-DSD-ZZ-10-DR-A-20153; 125SA-DSD-ZZ-11-DR-A-20154; 125SA-DSD-ZZ-12-DR-A-20155; 125SA-DSD-ZZ-RF-DR-A-20156; 125SA-DSD-ZZ-ZZ-DR-A-23101; 125SA-</p>

	DSD-ZZ-ZZ-DR-A-24101; 125SA-DSD-ZZ-ZZ-DR-A-24102 Rev P02; 125SA-DSD-ZZ-ZZ-DR-A-24103 Rev P02; 125SA-DSD-ZZ-ZZ-DR-A-24104
	Reason: For the avoidance of doubt and in the interest of proper planning.
3	<p>The development hereby permitted shall be carried out in accordance with the following approved documents-</p> <p>Documents:</p> <p>Cover letter (prepared by Gerald Eve dated 29 November 2024); Town Planning Statement (prepared by Gerald Eve LLP dated November 2024); Daylight and Sunlight Assessment (prepared by GIA dated November 2024); Noise Impact Assessment Report (prepared by Hann Tucker dated 29 November 2024); Air Quality and Air Quality Neutral Assessment (prepared by TetraTech dated 28 November 2024); Arboricultural Impact Assessment (prepared by Tree:Fabrik dated November 2024); Archaeological Assessment (prepared by MOLA dated November 2024); Biodiversity Report (prepared by Greengage dated November 2024); Circular Economy Statement (prepared by SWECO Sustainability dated November 2024); Delivery and Servicing Management Plan (prepared by Waterman dated November 2024); Design and Access Statement (prepared by DSDHA dated November 2024); Employment and Skills Strategy (prepared by Ekosgen dated November 2024); Energy and Sustainability Statement (prepared by SWECO Sustainability dated November 2024); Fire Statement (prepared by The Fire Surgery dated November 2024); Flood Risk Assessment (prepared by AKT II dated November 2024); Health Impact Assessment (prepared by Ekosgen dated November 2024); Heritage, Townscape and Visual Impact Assessment (prepared by The Townscape Consultancy dated November 2024); Housing Study (prepared by DSDHA dated November 2024); Operational Waste Management Strategy (prepared by Waterman dated November 2024); Pre-Demolition Audit (prepared by Material Index dated November 2024); Preliminary Ecological Appraisal / Ecology Study (prepared by Greenage dated November 2024); Preliminary Environmental Risk Assessment (prepared by Waterman dated November 2024); Regeneration Statement (prepared by Ekosgen dated November 2024); Security Needs and Crime Impact Assessment (prepared by QCIC Group dated November 2024); Statement of Community Involvement (prepared by Kanda dated November 2024); Structural Statement (prepared by AKT II dated November 2024); Transport Assessment (prepared by Waterman dated November 2024); Whole Life Carbon Assessment (prepared by SWECO Sustainability dated November 2024); GLA Spreadsheet (submitted via email 13.02.2025); Retail Areas Comparison (prepared by DSDHA submitted via email 05.03.2025); Updated Areas Letter (prepared by Newmark submitted via email 05.03.2025); Public Realm Landscape DAS Addendum (prepared by DSDHA submitted via email 05.03.2025); Daylight and Sunlight Overshadowing Assessment (prepared by GIA dated 18 March 2025); Daylight and Sunlight Transient Overshadowing Assessment (prepared by GIA dated 08 January 2025); Use of Terraces by Occupiers (prepared by DSDHA dated March 2025); Response to Public Comments (prepared by Newmark dated 02 April 2025); Design and Access Statement - Addendum (prepared by DSDHA dated March 2025).</p> <p>Reason: For the avoidance of doubt and in the interest of proper planning.</p>

4	<p>Detailed drawings/samples</p> <p>Detailed drawings, or samples of materials as appropriate, in respect of the following, shall be submitted to and approved in writing by the Council before the relevant part of the work is begun:</p> <ul style="list-style-type: none"> a) Details including sections at 1:10 of typical windows (including jambs, head, and cill), ventilation grills and external doors; b) Plan, elevation and section drawings, of typical 'arcade' shop fronts at a scale of 1:10; c) Typical plan, elevation, and section drawings of balustrading to terraces and balconies/loggias; d) Manufacturer's specification details or samples (as appropriate) of all facing materials; e) Sample panel of typical elevations (minimum 1m x 1m in size) including a glazed opening showing reveal and header detail and elevation brickwork showing the colour, texture, face-bond and pointing. This applies to all varying elevational treatments of the proposal; f) Details of relevant gates to arcade, doors, columns, and shopfront louvres/vents on building which face the public realm; g) Details of external plant enclosures; h) External lighting details and planters to the public realm. <p>The relevant part of the works shall then be carried in accordance with the approved details.</p> <p>Reason: In order to safeguard the appearance of the buildings and the character and appearance of the wider area in accordance with the requirements of Policies D1 and D2 of the Camden Local Plan 2017.</p>
5	<p>External fixtures</p> <p>No lights, meter boxes, flues, vents or pipes, and no telecommunications equipment, alarm boxes, television aerials or satellite dishes shall be fixed or installed on the external face of the buildings, without the prior approval in writing of the Council.</p> <p>Reason: In order to safeguard the appearance of the buildings and the character and appearance of the wider area in accordance with the requirements of Policies D1 and D2 of the Camden Local Plan 2017.</p>

6	<p>Refuse and recycling</p> <p>Prior to first occupation of the offices, the refuse and recycling storage areas shall be completed and made available for occupants and shall be retained thereafter.</p> <p>Reason: To ensure that sufficient provision for the storage and collection of waste has been made in accordance with the requirements of policy CC5, A1, A4 and TC4 of the London Borough of Camden Local Plan 2017.</p>
7	<p>Details of gates</p> <p>Prior to installation, details of any proposed gates to the through route, including a material samples shall be submitted to and approved in writing by the Local Planning Authority. The gates shall only be erected in accordance with the approved details.</p> <p>Reason: In order to safeguard the appearance of the buildings and the character and appearance of the wider area in accordance with the requirements of Policies D1 and D2 of the Camden Local Plan 2017.</p>
8	<p>Roof terraces</p> <p>No flat roofs within the development shall be used as terraces, unless they are marked as such on the approved plans.</p> <p>Reason: To safeguard the amenities of the future occupiers and adjoining</p>

	neighbours in accordance with the requirements of policy A1 of the Camden Local Plan.
9	<p>Hours of use of terraces</p> <p>The terraces approved on the building as numbered 5.1; 6.1; 8.2 and 10.3 in the applicant's submitted "Use of Terraces by Occupiers" document dated March 2025, shall not be used not be used before 8am or after 9pm.</p> <p>Reason: To safeguard the amenities of the future occupiers and adjoining neighbours in accordance with the requirements of policy A1 of the Camden Local Plan.</p>
10	<p>No music on terraces</p> <p>No music shall be played on the approved terraces in such a way as to be audible within any adjoining premises or on the adjoining highway.</p> <p>Reason: To safeguard the amenities of the adjoining premises and the area generally in accordance with the requirements of policies G1, D1, A1, and A4 and TC1 and TC2 of the London Borough of Camden Local Plan 2017.</p>
11	<p>London Underground Infrastructure</p> <p>The development hereby permitted shall not commence until the following documents, in consultation with London Underground Limited (LUL), have been submitted to and approved in writing by the local planning authority which:</p> <ol style="list-style-type: none"> Identify and accommodate the location of the existing London Underground structures and tunnels; Provide details of what impact the load changes due to the proposed development as well as the supporting construction activities will have on LUL assets considering the short term and long term changes in loading for each of the demolition and construction stages; Provide an assessment of ground movement arising from the development construction considering the short term and long term changes in loading for each of the demolition and construction stages which may affect the London Underground structures, tunnels and gauge clearances; Provide detailed design and Risk Assessment Method Statement for all demolition, use of cranes, temporary works as well as permanent works; An assessment of railway noise and vibration shall be carried out and appropriate temporary and permanent protective measures shall be taken to protect the users of the property and of other properties potentially affected as a result of the current development against noise and vibration. <p>The development shall thereafter be carried out in all respects in accordance with the approved design and method statements, and all structures and works comprised within the development hereby permitted which are required by the approved design statements in order to procure the matters mentioned in paragraphs of this condition shall be completed, in their entirety, before any part of the building hereby permitted is occupied.</p> <p>Reason: To ensure that the development does not impact on existing London Underground transport infrastructure, in accordance with the London Plan 2021</p>

	<p>Policy T3 and 'Land for Industry and Transport' Supplementary Planning Guidance 2012.</p>
12	<p>SUDS – details</p> <p>Prior to commencement of above ground development, full details of the sustainable drainage system including the green roof and attenuation tank, shall be submitted to and approved in writing by the Local Planning Authority. Such a system should be designed to accommodate all storms up to and including a 1:100-year storm with a 40% provision for climate change, such that flooding does not occur in any part of a building or in any utility plant susceptible to water and shall demonstrate the 1.3l/s runoff rates approved by the Local Planning Authority. If necessary, a revised drainage statement, SuDS pro-forma and supporting evidence should be submitted, which shall include:</p> <ul style="list-style-type: none"> • The proposed SuDS or drainage measures including storage capacities • The proposed surface water discharge rates or volumes <p>Details shall include a lifetime maintenance plan, and systems shall thereafter be retained and maintained in accordance with the approved details.</p> <p>Reason: To reduce the rate of surface water run-off from the buildings and limit the impact on the storm-water drainage system in accordance with policies CC2 and CC3 of the London Borough of Camden Local Plan Policies.</p>
13	<p>SUDS - Evidence of installation</p> <p>Prior to occupation, evidence that the system has been implemented in accordance with the approved details as part of the development shall be submitted to the Local Planning Authority and approved in writing. The systems shall thereafter be retained and maintained in accordance with the approved maintenance plan.</p> <p>Reason: To reduce the rate of surface water run-off from the buildings and limit the impact on the storm-water drainage system in accordance with policies CC2 and CC3 of the London Borough of Camden Local Plan Policies.</p>

14	<p>Green Roof details</p> <p>Prior to commencement of any works on the roof of the development, full details in respect of the green roof in the area indicated on the approved roof plan shall be submitted to and approved by the local planning authority. Details of the green roof provided shall include species, planting density, substrate and a section at scale 1:20 showing that adequate depth is available in terms of the construction and long-term viability of the green roof, as well as details of the maintenance programme for green roof. The buildings shall not be occupied until the approved details have been implemented and these works shall be permanently retained and maintained thereafter.</p> <p>Reason: In order to ensure the development undertakes reasonable measures to take account of biodiversity and the water environment in accordance with policies A3, CC2 and CC3 of the London Borough of Camden Local Plan policies.</p>
15	<p>Solar PV</p> <p>Prior to commencement of above ground works, drawings and data sheets showing the location, extent no.113 panels (around 160sqm) and predicted energy generation of photovoltaic cells (at least 26,010 kwh/annum) and associated equipment to be installed on the building shall have been submitted to and approved by the Local Planning Authority in writing. The measures shall include the installation of a meter to monitor the energy output from the approved renewable energy systems. A site-specific lifetime maintenance schedule for each system, including safe roof access arrangements, shall be provided. The cells shall be installed in full accordance with the details approved by the Local Planning Authority and permanently retained and maintained thereafter.</p> <p>Reason: To ensure the development provides adequate on-site renewable energy facilities in accordance with the requirements of policy CC1 (Climate change mitigation) of the London Borough of Camden Local Plan 2017.</p>

16	<p>Bird and bat boxes</p> <p>Details of bird and bat nesting features (boxes or bricks) shall be submitted to and approved in writing by the Local Planning Authority prior to works commencing on site. Features should be integrated into the fabric of the building, unless otherwise agreed by the Local Planning Authority. Details shall include the exact location, height, aspect, specification and indication of species to be accommodated, in line with the recommendations in the Preliminary Ecological Appraisal. Boxes shall be installed in accordance with the approved plans prior to the first occupation of the development and thereafter maintained. Guidance on biodiversity enhancements including artificial nesting and roosting sites is available in the Camden Biodiversity Action Plan: Advice Note on Landscaping Schemes and Species Features.</p> <p>Reason: In order to ensure the development undertakes reasonable measures to take account of biodiversity in accordance with policies A3, CC2 and CC3 of the London Borough of Camden Local Plan policies.</p>
17	<p>Non-road mobile machinery</p> <p>No non-road mobile machinery (NRMM) shall be used on the site unless it is compliant with the NRMM Low Emission Zone requirements (or any superseding requirements) and until it has been registered for use on the site on the NRMM register (or any superseding register).</p> <p>Reason: To ensure that air quality is not adversely affected by the development in accordance with policy CC4 of the Camden Local Plan 2017, and policy GG3 and SI 1 of the London Plan.</p>
18	<p>Oil back up generators</p> <p>Prior to commencement of above ground works details of the proposed Emergency Oil Generator Plant and any associated abatement technologies including make, model and emission details shall have been submitted to and approved by the Local Planning Authority in writing. Generators should be appropriately sized for life saving functions only, alternatives to oil fully considered and testing minimised. The flue/exhaust from the generator should be located away from air inlet locations. The maintenance and cleaning of the systems shall be undertaken regularly in accordance with manufacturer specifications and details of emission certificates by an accredited MCERTS organisation shall be provided following installation and thereafter every three years to verify compliance with regulations made by the Secretary of State.</p> <p>Reason: To safeguard the amenity of occupants, adjoining premises and the area generally in accordance with the requirements of policies A1 and CC4 of the London Borough of Camden Local Plan Policies.</p>

19	<p>Mechanical Ventilation</p> <p>Prior to commencement of above-ground development, full details of the mechanical ventilation system including air inlet locations shall be submitted to and approved by the local planning authority in writing. Air inlet locations should be located away from busy roads and the generator flue or any other emission sources and as close to roof level as possible, to protect internal air quality. The development shall thereafter be constructed and maintained in accordance with the approved details.</p> <p>Reason: To protect the amenity of residents in accordance with London Borough of Camden Local Plan Policy CC4 and London Plan policy SI 1.</p>
20	<p>Air Quality</p> <p>At least 3 months prior to commencement, a revised dust risk assessment report, and a revised air quality assessment report, written in accordance with the relevant current guidance, for the existing site and proposed development shall be submitted to and approved by the Local Planning Authority. The development shall be at least "Air Quality Neutral" and an air quality neutral assessment for both buildings and transport shall be included in the report. The assessment shall assess the current baseline situation in the vicinity of the proposed development. The report shall include all calculations and baseline data, and be set out so that the Local Planning Authority can fully audit the report and critically analyse the content and recommendations. If required a scheme for air pollution design solutions or mitigation measures based on the findings of the report shall be submitted to and approved by the Local Planning Authority prior to development. This shall include mitigation for when air quality neutral transport and building assessments do not meet the benchmarks or if mitigation is not adequate then an air quality neutral offset payment may be agreed.</p> <p>The approved design or mitigation scheme shall be constructed and maintained in accordance with the approved details.</p> <p>Reason: To protect the amenity of residents in accordance with London Borough of Camden Local Plan Policy CC4 and London Plan policy SI 1.</p>
21	<p>Construction related impacts – Monitoring</p> <p>Air quality monitoring should be implemented on site. No development shall take place until real time dust monitors appropriate to the dust risk have been installed:</p> <p>prior to installing monitors, full details of the air quality monitors have been submitted to and approved by the local planning authority in writing. Such details shall include the location, number and specification of the monitors, including evidence of the fact that they will be installed in line with guidance outlined in the GLA's Control of Dust and Emissions during Construction and Demolition Supplementary Planning Guidance;</p> <p>a confirmation email should be sent to airquality@camden.gov.uk no later than one day after the monitors have been installed with photographic evidence in line with the approved details.</p>

	<p>prior to commencement, a baseline monitoring report including evidence that the monitors have been in place and recording valid air quality data for at least 3 months prior to the proposed implementation date shall be submitted to the Local Planning Authority and approved in writing.</p> <p>The monitors shall be retained and maintained on site in the locations agreed with the local planning authority for the duration of the development works, monthly summary reports and automatic notification of any exceedances provided in accordance with the details thus approved. Any changes to the monitoring arrangements must be submitted to the Local Planning Authority and approved in writing.</p> <p>Reason: To safeguard the amenity of adjoining premises and the area generally in accordance with the requirements of policies A1 and CC4 of the London Borough of Camden Local Plan Policies.</p>
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22	<p>Tree Protection Strategy</p> <p>Prior to the commencement of the relevant part of construction/demolition/deconstruction works on site, full details of protection measures for trees to be retained around the site shall be submitted to and approved in writing by the Local Planning Authority. The works shall commence in accordance with approved details and the protection shall then remain in place for the duration of works on site, unless otherwise agreed in writing by the local planning authority.</p> <p>Reason: To ensure that the development will not have an adverse effect on existing trees and in order to maintain the character and amenity of the area in accordance with the requirements of policies A2 and A3 of the London Borough of Camden Local Plan 2017.</p>
23	<p>Noise levels</p> <p>The external noise level emitted from plant, machinery or equipment at the development with specified noise mitigation hereby approved shall be lower than the typical existing background noise level by at least 10dBA, by 15dBA where the source is tonal, as assessed according to BS4142:2014 at the nearest and/or most affected noise sensitive premises, with machinery operating at maximum capacity and thereafter be permanently retained.</p> <p>Reason: To ensure that the amenity of occupiers of the development site/ surrounding premises is not adversely affected by noise from mechanical installations/ equipment in accordance with the requirements of policies A1 and A4 of the London Borough of Camden Local Plan 2017</p>
24	<p>Anti-vibration</p> <p>Prior to use, machinery, plant or equipment at the development shall be mounted with proprietary anti-vibration isolators and fan motors shall be vibration isolated from the casing and adequately silenced and maintained as such.</p> <p>Reason: To ensure that the amenity of occupiers of the development site and surrounding premises is not adversely affected by vibration in accordance with the requirements of policies A1 and A4 of the London Borough of Camden Local Plan 2017.</p>

25	<p>Cycle parking</p> <p>Prior to first occupation, the following bicycle parking shall be provided:</p> <ul style="list-style-type: none"> • 430 long-stay cycle parking spaces for office use provided in the basement comprising: <ul style="list-style-type: none"> ~ Standard cycles: 342 in two-tier format and 22 as Sheffield stands(83%) ~ Folding cycles: 44 (12%) ~ Non-standard / large / adapted cycles: 22 (5%) • 16 long-stay stay spaces for retail and 6 long-stay stay spaces for the affordable workspace located at ground level. <p>All such facilities shall thereafter be maintained and retained.</p> <p>Reason: To ensure that the scheme makes adequate provision for cycle users in accordance with Camden Local Plan policies T1 and T2, the London Plan and CPG Transport.</p>
26	<p>Construction and Demolition Waste: Delivered in accordance with details.</p> <p>The construction and demolition waste plan/ Circular Economy Statement as approved (include reference to documents) shall be delivered to achieve at least 95% reuse/recycling/recovery of construction and demolition waste and 95% beneficial use of excavation waste.</p> <p>Reason: To ensure all development optimise resource efficiency in accordance with policy CC1 of the London Borough of Camden Local Plan Policies and to reduce waste and support the circular economy in accordance with policy SI 7 of the new London Plan.</p>
27	<p>Air Source Heat Pump</p> <p>Prior to commencement of above ground works, details, drawings and data sheets showing the location, Seasonal Performance Factor of at least 2.5 (or COP of 4 or more or SCOP of 3.4 or more) and Be Green stage carbon saving of the air source heat pumps and associated equipment to be installed on the building, shall have been submitted to and approved by the Local Planning Authority in writing. The measures shall include the installation of a meter to monitor the energy output from the approved renewable energy systems. A site-specific lifetime maintenance schedule for each system, including safe access arrangements, shall be provided. The equipment shall be installed in full accordance with the details approved by the Local Planning Authority and permanently retained and maintained thereafter.</p> <p>Reason: To ensure the development provides adequate on-site renewable energy facilities in accordance with the requirements of policy CC1 of the London Borough of Camden Local plan Policies.</p>

28	<p>Landscape</p> <p>Prior to commencement of above ground works, full details of hard and soft landscaping shall be submitted to and approved in writing by the local planning authority. Such details shall include planting for biodiversity and access to nature. Guidance on landscape enhancements for biodiversity is available in the Camden Biodiversity Action Plan: Advice Note on Landscaping Schemes and Species Features. The relevant part of the works shall not be carried out otherwise than in accordance with the details thus approved.</p> <p>Reason: To ensure that the landscaping is carried out within a reasonable period and to maintain a high quality of visual amenity in the scheme in accordance with the requirements of policies A2, A3, A5 D1 and D2 of the London Borough of Camden Local Plan 2017.</p>
29	<p>Landscaping - replacement planting</p> <p>All hard and soft landscaping works shall be carried out in accordance with the approved landscape details by not later than the end of the planting season following completion of the development or occupation of the development whichever is sooner. Any trees or areas of planting which, within a period of 5 years from the completion of the development, die, are removed or become seriously damaged or diseased, shall be replaced as soon as is reasonably possible and, in any case, by not later than the end of the following planting season, with others of similar size and species, unless the local planning authority gives written consent to any variation.</p> <p>Reason: To ensure that the landscaping is carried out within a reasonable period and to maintain a high quality of visual amenity in the scheme in accordance with the requirements of policies A2, A3, D1 and D2 of the London Borough of Camden Local Plan 2017.</p>
30	<p>Urban Greening Factor</p> <p>The development shall achieve an Urban Greening Factor Score of at least 0.25 prior to first occupation and shall thereafter be maintained and retained to achieve this score in perpetuity in accordance with approved document: Biodiversity Report (prepared by Greengage dated November 2024).</p> <p>Reason: To ensure that the development achieves a high quality of landscaping which contributes to the visual amenity, character and biodiversity of the area in accordance with the requirements of policies A2, A3 and D1 of the London Borough of Camden Local Plan 2017 and policy G5 of the London Plan 2021.</p>

31	<p>CCTV and Lighting</p> <p>Prior to first occupation, a detailed strategy for CCTV and lighting for the through-route shall be submitted to and approved in writing by the local planning authority.</p> <p>The cctv and lighting shall be installed in accordance with the approved plans prior to the occupation of the development and thereafter retained.</p> <p>Reason: In the interest of ecology, visual amenity and promoting a safe and secure environment in accordance with policies A1, A2, and A3 of the 2017 Camden local Plan.</p>
32	<p>Fire Statement</p> <p>The development shall be constructed in accordance with, and at all times occupied and managed in strict compliance with, the approved Planning Fire Statement (doc ref: 241127DN0F4 dated 27/11/2024).</p> <p>Reason: To ensure the development incorporates the necessary fire safety measures in accordance with policies D5 and D12 of the London Plan 2021.</p>

27 INFORMATIVES

1	<p>Indicative highways works</p> <p>The proposed highway works must be treated as indicative at this stage as planning permission does not guarantee that the proposed highway and public realm improvements would be implemented in their current form. Such proposals are always subject to further investigation, consultation, detailed design, and approval by the Highway Authority (in this case the Council).</p>
2	<p>Construction related impacts - Mitigation</p> <p>Mitigation measures to control construction-related air quality impacts should be secured within the Construction Management Plan as per the standard CMP Pro-Forma. The applicant will be required to complete the checklist and demonstrate that all mitigation measures relevant to the level of identified risk are being included.</p>
3	<p>Thames Water – surface water drainage and sewage</p> <p>With regard to surface water drainage it is the responsibility of a developer to make proper provision for drainage to ground, water courses or a suitable sewer. In respect of surface water it is recommended that the applicant should ensure that storm flows are attenuated or regulated into the receiving public network through on or off site storage. When it is proposed to connect to a combined public sewer, the site drainage should be separate and combined at the final manhole nearest the boundary. Connections are not permitted for the removal of groundwater. Where the developer proposes to discharge to a public sewer, prior approval from Thames Water Developer Services will be required. They can be contacted on 0800 009 3921. Reason - to ensure that the surface water discharge from the site shall not be detrimental to the existing sewerage system.</p> <p>There are public sewers crossing or close to your development. In order to protect public sewers and to ensure that Thames Water can gain access to those sewers for future repair and maintenance, approval should be sought from Thames Water where the erection of a building or an extension to a building or underpinning work would be over the line of, or would come within 3 metres of, a public sewer. Thames Water will usually refuse such approval in respect of the construction of new buildings, but approval may be granted in some cases for extensions to existing buildings. The applicant is advised to contact Thames Water Developer Services on 0800 009 3921 to discuss the options available at this site.</p>

	<p>Thames Water would advise that with regard to sewerage infrastructure capacity, we would not have any objection to the above planning application.</p>
4	<p>Biodiversity Net Gain (BNG):</p> <p>The effect of paragraph 13 of Schedule 7A to the Town and Country Planning Act 1990 ("1990 Act") is that planning permission granted in England is subject to the condition ("the biodiversity gain condition") that development may not begin unless:</p> <p>(a) a Biodiversity Gain Plan has been submitted to the planning authority, and</p> <p>(b) the planning authority has approved the plan.</p> <p>The local planning authority (LPA) that would approve any Biodiversity Gain Plan (BGP) (if required) is London Borough of Camden.</p> <p>There are statutory exemptions and transitional arrangements which mean that the biodiversity gain condition does not always apply. These are summarised below, but you should check the legislation yourself and ensure you meet the statutory requirements.</p> <p>Based on the information provided, this will not require the approval of a BGP before development is begun because it is below the de minimis threshold (because it does not impact an onsite priority habitat AND impacts less than 25 square metres of onsite habitat with biodiversity value greater than zero and less than 5 metres in length of onsite linear habitat).</p>

APPENDIX 1 - Independent Viability Review (BPS)

125 Shaftesbury Avenue WC2H 8AD

Independent Viability Review

**Prepared on behalf of the London Borough of
Camden**

4th February 2025

Planning Reference: 2024/5408/P



215a High Street, Dorking RH4 1RU
www.bps-surveyors.co.uk

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1.0 Introduction

- 1.1 BPS Chartered Surveyors have been instructed by the London Borough of Camden ('the Council') to undertake a review of a Financial Viability Assessment ('FVA') prepared by Gerald Eve ('GE') on behalf of VREF Shaftesbury SCS ('the Applicant') in connection with a planning application for the redevelopment of the above site.
- 1.2 The site is located between Shaftesbury Avenue and Charing Cross Road and comprises a 1980s office building with ground floor retail. The location is predominantly commercial in nature with retail at ground floor level and offices on upper floors.
- 1.3 The site is located within the Central Activities Zone ('CAZ') as defined in the London Plan. The site is not within a conservation area nor is it listed. It is well connected to public transport with a PTAL rating of 6b (best obtainable) and is a 5-min walk from Tottenham Court Road and Leicester Square underground stations.
- 1.4 The proposals are for:
- Remodelling, refurbishment and extension of the existing building to provide Use Class E commercial and retail space, amenity terraces, a new public route, relocated entrances, cycle parking, servicing and rooftop plant along with associated highway, landscaping and public realm improvements and other associated works.*
- 1.5 The basis of our review is an FVA prepared by GE, dated November 2024, which concludes that the scheme currently shows a profit output of **-£23,349,769** which is substantially below the profit target of £69,625,913 (15% on GDV). On this basis the scheme generates an overall deficit of **-£92,975,682** and is therefore unviable.
- 1.6 If the Applicant were to continue on GE's numbers, they would make a nil profit return and a financial loss of over £23 million. We therefore question the deliverability of this scheme.
- 1.7 Policy H2 of Camden's Local Plan seeks commensurate levels of self-contained housing whenever non-residential development is proposed. The policy requires that where more than 200 sqm (GIA) of non-residential development is proposed in the Central London Area, that 50% of the additional floorspace to be delivered as self-contained housing (including affordable housing where relevant).
- 1.8 We understand from the Planning Statement that the Council has accepted the principle of a payment in lieu ('PiL') as opposed to onsite housing. We request that the Council confirm this position. At present the Applicant has not proposed a PiL towards housing.

- 1.9 Moreover, the Employment Sites and Business Premises CPG seeks affordable SME workspace on sites with over 1,000 sqm (GIA) of employment floorspace. The Council will work with developers to agree appropriate terms of affordability on a case by case basis.
- 1.10 The draft Local Plan (Policy IE4) states that on schemes providing at least 1,000 sqm (GIA) of office space will need to provide affordable workspace and the plan seeks 20% of the gross floorspace to be provided at 50% of market rent for at least 15 years. It notes that greater rental discounts will be sought if viable.
- 1.11 Therefore, the subject application is required to provide both affordable workspace and a PiL towards off site housing. The current proposals include 4,997 sqft (NIA) of affordable workspace and as such falls short of policy requirements. We request that the Council confirm the full policy requirements from this application.
- 1.12 We have downloaded documents available on the Council's planning website to assist with our review. We have also received a live version of the Argus appraisal included in GE's report.
- 1.13 We have assessed the cost and value inputs within the financial appraisal in order to determine whether the scheme can viably make any additional policy contributions.
- 1.14 We have searched the Council's planning website and have identified the following relevant planning history relating to the site:
- 2016/5202/P (granted 2018, now lapsed): Remodelling, refurbishment and extension of existing office building (Class B1) at upper floor levels, roof level and within lightwells to provide 9,682sqm additional floorspace, including terraces, a new public route, a relocated office entrance (Charing Cross Road), rooftop plant and flexible retail uses (Classes A1/A3), along with associated highway, landscaping and public realm improvements.
 - 2024/1444/P (granted 2024): Scheme comprises use of the existing ground floor entrance, first to fourth floors and ninth floor of 125 Shaftesbury avenue as immersive theatre space, and ancillary events space (sui generis) for a temporary period between 1 September 2024 to 30 September 2025.
- 1.15 A Land Registry search shows that the Applicant currently owns the property. According to EGI, the property was purchased in December 2023 for £148,000,000 however we are unable to verify the price paid on the Land Registry.
- 1.16 The advice set out in this report is provided in the context of negotiating planning obligations and therefore in accordance with PS1 of the RICS Valuation – Global Standards 2025, the

provisions of VPS1–6 are not of mandatory application. Accordingly, this report should not be relied upon as a Red Book Valuation. The Valuation Date for this Viability Review is the date of this report, as stated on the title page. This Viability Review has been undertaken in accordance with the Terms & Conditions provided to the Council and with any associated Letters of Engagement and should only be viewed by those parties that have been authorised to do so by the Council.

- 1.17 This Viability Review adheres to the RICS Professional Statement on Financial Viability in Planning (published May 2019). In accordance with this Statement, we refer you to our standard terms and conditions which incorporate details of our Quality Standards Control & Statement on Limitation of Liability/ Publication.

2.0 Summary Table

Input	GE	BPS	Comments
Income			
Office	£449,747,364 (£1,916 psf)	£464,292,189 (£1,978 psf)	Disagree
Affordable Workspace	£5,560,779 (£1,113 psf)	£5,560,779 (£1,113 psf)	Accept (pending clarity on rent level)
Retail	£8,864,611 (£956 psf)	£9,239,201 (£996 psf)	Disagree
Expenditure			
Base Build Costs	£145,540,000	£145,540,000	Agree
Contingency	7.5%	7.5%	Agree
Purchaser's Costs	6.8%	6.8%	Agree
Professional Fees	10%	10%	Agree
Marketing Fees (% Rent)	1.5%	1.5%	Agree
Sales Agent Fees (% GDV)	1%	1%	Agree
Sales Legal Fees (% GDV)	0.5%	0.5%	Agree
Letting Agent & Legal (% Rent)	15%	15%	Agree
Survey Costs	£1,197,000	£1,197,000	Ambiguous (insufficient evidence)
OPEX Budget	£790,000	£790,000	Ambiguous (insufficient evidence)
Legal/Commercial	£400,000	£400,000	Ambiguous (insufficient evidence)
Third Party Costs	£5,500,000	£5,500,000	Ambiguous (insufficient evidence)
Service Charge	£2,517,238	£2,517,238	Agree
Empty Rates	£2,373,051	£2,373,051	Ambiguous (insufficient detail)
Tenant Contribution	£13,359,000	£13,359,000	Ambiguous (insufficient detail)
S106 Costs	£1,594,102	£1,594,102	Ambiguous (Council to confirm)
CIL	£3,627,000	£3,627,000	Ambiguous (Council to confirm)
Finance Rate	8%	7.5%	Disagree
Profit Target (% GDV)	15%	15%	Agree
Benchmark Land Value	£146,250,000	£83,000,000	Disagree
Development Timeframes			
Pre-construction	3-months	3-months	Agree
Enabling works	13-months	13-months	Agree
Construction	24-months	21-months	Disagree
Letting	9-months	6-months	Disagree

Viability Position			
Surplus/Deficit	-£92,975,682	+£24,680,000	Disagree
Net Profit Return (% GDV)	-5.0%	20%	

3.0 FVA Checklist

- 3.1 On the 16 December 2024 we sent GE a request for additional information to assist with our review of the FVA. The table below summarises the documentation received at the date of this submission.

Existing Site	
Land ownership plan	Downloaded
Measurements of the Building	Provided
Floor plans	Downloaded
Detailed Description of the existing site	Site Inspected Dec 2024
A schedule of condition	
Photographs of existing building	
Copies of the existing or recent leases	Partially Provided
Current Tenancy Schedule	Not provided
Recent transactional evidence to support BLV assumptions	Partially Provided
Evidence to support refurbishment cost assumptions	Partially Provided
Evidence of actual empty property costs for existing building	Not provided
Detailed breakdown of assumed tenant contributon costs for BLV	Not provided
Proposed Development	
Application plans	Downloaded
Accommodation schedule	Provided
Measurements for the proposed scheme (GIA/NIA)	Provided
Design and Access statement	Downloaded
Planning Statement	Downloaded
Detailed design specification	Not Provided
Recent transactional evidence to support their GDV assumptions	Provided
Construction & Other Costs	
A detailed cost plan (base construction costs)	Provided
A detailed estimate of tenant contribution costs	Not provided
Detailed breakdown of 'other costs' assumed in FVA	Partially Provided
Development programme	Provided
Appraisals	
Copy of the live Argus appraisals	Provided

4.0 Conclusions And Recommendations

Applicant Position

- 4.1 We have reviewed the FVA prepared by GE on behalf of the Applicant which concludes that the proposed scheme generates an overall deficit of -£93 million. On these numbers the Applicant would make no profit and a financial loss of over £23 million. This therefore casts serious doubts over the deliverability of this scheme and leads us to question whether the Applicant is working to different numbers and assumptions than those being made by their assessors.

Benchmark Land Value

- 4.2 GE have assumed that the existing building could be refurbished and relet and have determined a BLV of £146,250,000 on this basis. We have reviewed the inputs and assumptions made by GE in reaching their value. We generally consider the cost assumptions made by GE to be understated and note the queries raised by our Cost Consultant regarding the refurbishment estimate.
- 4.3 At this stage we have determined a much lower BLV of £83,000,000. This is pending clarity on the refurbishment costs which our Cost Consultant advises could be understated.

Development Value

- 4.4 The scheme includes a mix of office, retail and affordable workspace. We have sought advice from Crossland Otter Hunt as to the value assumptions for each use. Based on their advice we have increased the office and retail GDV. We have provisionally accepted GE's affordable workspace value pending clarity on the level of rent that will be charged.

Development Costs

- 4.5 Our Cost Consultant has reviewed the proposed cost plan and concludes that the base build costs are reasonable. The full cost report can be found at Appendix 1.
- 4.6 We have reviewed the other costs outlined within the FVA and find the contingency, professional fees, disposal fees and profit allowances to be reasonable. We have reduced the finance rate assumption.
- 4.7 We require further evidence to support the other development costs included in GE's assessment. At this stage we are unable to sufficiently review these costs. We also require confirmation from the Council as to the CIL/S106 charges.

- 4.8 We consider the timescale assumptions to be broadly acceptable with the exception of the construction period which we have reduced based on advice from our Cost Consultant.

Appraisal Results & Recommendations

- 4.9 We have been provided with a live version of the Argus appraisal included in GE's report to which we have applied our amendments. These amendments are outlined in the table included at Section 2 and our revised appraisal summary can be found at Appendix 3.
- 4.10 Our appraisal includes the BLV as a fixed land cost to ensure that land interest charges are not under or overstated. The appraisal generates a profit output figure which is then compared to the profit target. If the profit target is not met then the scheme is unviable. If the profit target is exceeded then this represents 'surplus profit' which means that additional contributions can be viably made.
- 4.11 Our appraisal shows the following provisional viability position for the scheme:

Profit Output	Profit Target	Surplus/Deficit
£96,543,569 (20.13% on GDV)	£71,863,825 (15% on GDV)	+£24,680,000

- 4.12 We provisionally find the scheme to generate a surplus of £24 million and therefore the scheme can viably make further contributions.
- 4.13 We highlight that the above conclusion is subject to potential change given that there remains ambiguity regarding the BLV refurbishment costs, and the other costs included in the proposed scheme appraisal for which we require further evidence. This is outlined further in Section 2 and 3 of this report.
- 4.14 We recommend that the scheme should be subject to open book early and late stage reviews in order that the viability can be assessed over the lifetime of the development.
- 4.15 In the absence of agreement of the viability position, should the application proceed to committee, we strongly recommend that any approval be subject to the adoption of our viability figures for review purposes.

Sensitivity Testing

- 4.16 We have sensitivity tested changes to the proposed commercial rents and construction costs. The testing indicates that should the proposed commercial rents reduce by 10% then the scheme would be unviable. If construction costs were to increase by 15% then this would erode the surplus identified.

-
- 4.17 We have also sensitivity tested the level of rental discount the affordable workspace could be provided at given the surplus we have identified. Our modelling shows that even if this were provided at a peppercorn rent then the scheme would remain viable. We therefore consider that the scheme can viably provide a greater quantum of affordable workspace and at a greater rental discount.

5.0 Principles Of Viability Assessment

- 5.1 Development appraisals work to derive a residual value. This approach can be represented by the formula below:

$$\begin{aligned} &\text{Gross Development Value} - \text{Development Costs (including Developer's Profit)} \\ &= \text{Residual Value} \end{aligned}$$

- 5.2 The residual value is then compared to a benchmark land value. Existing Use Value (EUV) and Alternative Use Value (AUV) are standard recognised approaches for establishing a land value as they help highlight the apparent differences between the values of the site without the benefit of the consent sought.
- 5.3 The rationale for comparing the scheme residual value with an appropriate benchmark is to identify whether it can generate sufficient money to pay a realistic price for the land whilst providing a normal level of profit for the developer. In the event that the scheme shows a deficit when compared to the benchmark figure the scheme is said to be in deficit and as such would be unlikely to proceed.
- 5.4 Development appraisals can also be constructed to include a fixed land value and fixed profit targets. If an appropriate benchmark is included as a fixed land value within a development appraisal this allows for interest to be more accurately calculated on the Benchmark Land Value, rather than on the output residual value. By including fixed profit targets as a cost within the appraisal, programmed to the end of development so as not to attract interest payments, the output represents a 'super' profit. This is the profit above target levels generated by the scheme which represents the surplus available towards planning obligations.
- 5.5 This Viability Review report adheres to the RICS Professional Statement on Financial Viability in Planning: Conduct and Reporting (published May 2019). In accordance with this Statement, Section 8 below incorporates details of our Quality Standards Control & Statement on Limitation of Liability/ Publication. This report has been prepared according to the Professional Statement's requirement for objectivity and impartiality, without interference and with reference to all appropriate available sources of information. Where information has not been obtainable, we have stated this expressly in the body of the report.

6.0 Benchmark Land Value

Viability Benchmarking

6.1 Planning Policy Guidance, published May 2019, states:

Benchmark land value should:

- *be based on existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. These may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

The evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

[...] Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).

6.2 The NPPF recognises the need to provide both landowners and developers with a competitive return. In relation to landowners this is to encourage landowners to release land for development. This is set out in PPG as follows:

To define land value for any viability assessment, a benchmark land value should be established on the basis of existing use value (EUV) of the land, plus a premium for the

landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The Premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).

- 6.3 The RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England', published March 2021, supports the NPPG's definition of Benchmark Land Value.

- 6.4 NPPG further defines EUV as follows:

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).

- 6.5 The Mayor of London's Affordable Housing and Viability SPG published August 2017 states a clear preference for using EUV as a basis for benchmarking development as this clearly defines the uplift in value generated by the consent sought. This is evidenced through the following extract:

The Mayor considers that the 'Existing Use Value plus' (EUV) approach is usually the most appropriate approach for planning purposes. It can be used to address the need to ensure that development is sustainable in terms of the NPPF and Development Plan requirements, and in most circumstances the Mayor will expect this approach to be used.

- 6.6 Guidance indicates that the sale of any premium should reflect the circumstances of the landowner. We are of the view that where sites represent an ongoing liability to a landowner and the only means of either ending this liability or maximising site value is through securing a planning consent this should be a relevant factor when considering whether a premium is applicable. This view is corroborated in the Mayor of London's Affordable Housing and Viability SPG which states:

Premiums above EUV should be justified, reflecting the circumstances of the site. For a site which does not meet the requirements of the landowner or creates ongoing liabilities/ costs, a

lower premium or no premium would be expected compared with a site occupied by profit-making businesses that require relocation. The premium could be 10 per cent to 30 per cent, but this must reflect site specific circumstances and will vary.

- 6.7 While EUV is the primary approach to defining BLV, in some circumstances an Alternative Use Value approach can be adopted. This is the value of the land for a use other than its existing use. NPPG outlines:

If applying alternative uses when establishing benchmark land value these should be limited to those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan.

[...] Plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with up to date development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued.

- 6.8 The RICS Guidance Note 'Assessing viability in planning under the National Planning Policy Framework 2019 for England', published March 2021, supports the definition of AUV from NPPG and reiterates that any AUV must reflect relevant policy requirements.
- 6.9 When adopting an AUV approach, the premium to the landowner is implicit and therefore an additional landowner premium should not be added as this would be double counting.
- 6.10 NPPG and RICS guidance are clear that if refurbishment or redevelopment is necessary to realise an existing use value then this falls under the AUV provision of NPPG and no landowner premium should be added.

The Subject Site

- 6.11 The property comprises a 1980s building arranged over basement, ground and ten upper floors. The basement and ground floor consist of retail space and the upper floors consist of office space (Use Class E).
- 6.12 The retail units are predominantly tenanted with the exception of a vacant unit. We have been provided with copies of the various retail leases. We understand that some of the office floors are let at a peppercorn rent to various charities. The remainder of the office space is vacant.

- 6.13 We inspected the site on 20 December 2024 and were provided access to the majority of office floors. We were not able to inspect the retail element of the site. A sample of photographs taken during our inspection can be found at Appendix 6.
- 6.14 The office space is described in the Planning Statement as being outdated and unsuited to modern requirements. We noted from our inspection that the office space had been fitted out by the former tenants who have since vacated (c. 2021). The office remains predominantly fitted out consistent with the works undertaken by the former tenant.
- 6.15 We are unable to comment on the condition of the retail element but noted from our inspection that most of the space appeared tenanted and as such we assume it is largely in tenantable condition.

The Proposed Benchmark

- 6.16 GE have assumed that following a light refurbishment, the existing property could be relet. They state that the value assumptions made in their FVA largely reflect the building's current condition and as such consider their assessment to be an Existing Use Value ('EUV') approach. They consider that the approach would only constitute an Alternative Use Value ('AUV') if a more extensive refurbishment was assumed.
- 6.17 We note that NPPG is clear that when an existing use is refurbished it will be considered an Alternative Use Value ('AUV') approach. NPPG does not distinguish between differing degrees of refurbishment and as such we consider that GE's approach would be an AUV as opposed to an EUV.
- 6.18 A refurbishment allowance of £4,970,000 has been included in GE's valuation, as well as letting fees totalling £1,766,250 and tenant contributions totalling £7,037,250.
- 6.19 Moreover, GE have sought advice from CBRE who consider the following rents to be achievable following a minor refurbishment (i.e. new carpets and painting):

Floor	Use	Sqft (NIA)	Rent £psf	Rent £pa
Floor 9	Office	6,494	£85	£551,990
Floor 8	Office	7,648	£84	£642,432
Floor 7	Office	8,958	£83	£743,514
Floor 6	Office	16,267	£82	£1,333,894
Floor 5	Office	21,098	£81	£1,708,938
Floor 4	Office	19,302	£79	£1,524,858
Floor 3	Office	19,234	£78	£1,500,252
Floor 2	Office	20,829	£77	£1,603,833
Floor 1	Office	20,915	£76	£1,589,540
G (98/102 Charing Cross Rd)	Retail	14,652	£39.24	£574,944

G (96 Charing Cross Rd)	Retail	9,085	£66.04	£599,973
G (Unit 5 Stacey Street)	Retail	631	£33.07	£20,867
G (121 Shaftesbury Avenue)	Retail	9,928	£28.71	£285,033
G (123 Shaftesbury Avenue)	Retail	2,758	£65.95	£181,890
Total		177,799	£72.34	£12,861,959

- 6.20 CBRE state that they expect voids of 6-12 months and the agreed terms to be 5-10 years with a rent free of 2.4 months per annum (12 months for 5 year term and 24 months for 10 year term).
- 6.21 GE have adopted a net initial yield of 6% which in their view reflects the market risk for an asset of this nature.
- 6.22 Overall, GE determine a gross value of £169,932,276 to which they deduct refurbishment, letting and tenant contribution costs totalling £13,773,500 and purchaser's costs totalling £9,932,862. This results in a total net BLV of £146,250,000 (rounded).
- 6.23 To crosscheck their BLV GE have referred to four land transactions and have compared the values on a £psf basis. The sites predominantly sold for redevelopment and show values ranging between £880 psf and £1,157 psf with an average of £1,008 psf. GE state that if the average was applied to the subject site it would generate a much higher value of £179,200,000.
- 6.24 GE adopt a total BLV of £146,250,000 (£823 psf) in their FVA. Whilst NPPG is clear that price paid should not be used as BLV, we highlight that GE's BLV is broadly similar to the price paid by the Applicant for the site in 2023.

Our Assessment of Benchmark Land Value

Values

- 6.25 We have instructed Crossland Otter Hunt to review the proposed value inputs suggested by CBRE and subsequently adopted by GE. They advise the following value inputs would be appropriate for the BLV assessment:

Input	COH
Office Rent £pa	£10,008,293
Retail Rent £pa	£1,662,707
Car Parking Rent £pa	£52,500
Lease Length	10y (5y break)
Rent Free	24-months
Void	9-12 months
Yield	6.25%

- 6.26 The full report can be found at Appendix 5. We have adopted these inputs for the purposes of our assessment.

Costs

- 6.27 GE's valuation includes the following cost allowances:

- **Refurbishment Costs of £4,970,000**

- 6.28 We have been provided with an estimate of refurbishment costs prepared by Gardiner and Theobald ('G&T'). Our Cost Consultant notes that the cost estimate is limited in terms of the detail it provides. We have instructed our consultant to review the proposed costs, and his advice is set out below:

The EUV is stated as based on a light refurbishment of the existing building. The cost is £4,970,000 (exc fees) on a GIA of 22,863m² which equates to £217/m². The Design and Access Statement under the heading of "Condition of the Existing Facade" states "Moreover, the current façade has been deteriorating with brick being at risk of falling. As a result, as a temporary measure, parts of the façade are covered with protective netting." We suggest the extent of works required will be in excess of a light refurbishment, and the extent and costs should be reconsidered.

- 6.29 The full cost report can be found at Appendix 1.
- 6.30 Our consultant has advised that given that the office space is fitted out a light refurbishment only may be a reasonable assumption. However, he questions firstly the Applicant's assumption that all existing services remain useable and secondly the absence of any costs associated with repair of the façade. On this basis, he is of the view that the costs are likely understated.
- 6.31 We have tentatively adopted GE's figure of £4,970,000 but based on the above consider that this could be understated. We therefore require further cost information from the Applicant that sufficiently addresses the concerns raised above. This should be not interpreted as agreement with GE's cost figure.
- 6.32 Moreover, we understand that the figure presented is exclusive of any other fee allowances. To remain consistent we have adopted contingency, professional fees, finance costs, and developer profit in line with the proposed scheme appraisal.
- 6.33 Our Cost Consultant has advised that he expects the refurbishment period to be approximately 9 months.

- **Letting Fees of £86,250**

6.34 In order to be consistent, we have adopted letting and marketing fees in accordance with the proposed scheme appraisal.

- **Tenant Contribution Fees of £7,037,250**

6.35 It is not clear how this has been calculated but understand that £613 per sqm is assumed in the proposed scheme appraisal. If this rate is applied to the existing office NIA then this results in a fee of £8,015,300. Pending clarity from GE we have adopted £8,015,300 within our assessment.

- **Empty Rates of £4,454,579**

6.36 It is not clear how GE have calculated this cost, but based on the VOA ratings assessment for each property and the relevant empty rates multiplier indicates that this figure is a broadly reasonable assumption.

- **Service Charge Shortfall of £1,970,430**

6.37 GE have assumed a service charge of £14 psf (per annum) which when applied to the office NIA (140,745 sqft) over the 12 month assumed void this generates a cost of £1,970,430.

6.38 We have sought the advice of COH who advise that the service charge is likely on the low side particularly considering that the M&E will not be new. As such they recommend a figure closer to £17 psf. We have therefore assumed £17 psf for the purposes of our appraisal.

BPS Summary:

6.39 Overall, we have prepared an Argus residual appraisal to determine the BLV of the site. The appraisal summary can be found at Appendix 2. We have summarised the inputs below:

Input	BPS	Comment
GDV	£166,157,287	Inputs advised by Crossland Otter Hunt.
Purchaser's Costs	6.8%	Consistent with proposed scheme.
Refurbishment Costs	£4,970,000	Provisional pending clarity from GE/Applicant.
Contingency	7.5%	Consistent with proposed scheme.
Professional Fees	10%	Consistent with proposed scheme.
Finance Rate	7.5%	Consistent with proposed scheme.
Developer Profit	15% on GDV	Consistent with proposed scheme.
Letting/Marketing Fees	16.5% on rent	Consistent with proposed scheme.
Tenant Contribution Fees	£8,015,300	Provisional pending clarity from GE/Applicant.
Empty Rates	£4,454,579	GE estimate appears broadly reasonable.
Service Charge Shortfall	£2,392,655	Advised by Crossland Otter Hunt.

VP & Other Costs	£2,387,000	Consistent with proposed scheme (pending evidence).
Refurbishment Period	9 months	Advised by our Cost Consultant.
Letting Void	12 months	Advised by Crossland Otter Hunt.

- 6.40 The appraisal generates a residual value of £82,922,362. On this basis we have adopted a figure of £83,000,000 as the Benchmark Land Value.
- 6.41 We do not consider a Landowner Premium to be applicable noting that this constitutes an AUV approach in accordance with NPPG. Moreover, the scheme is does not meet the policy requirement and according to GE generates a substantial deficit and as such there are no funds available for this hypothetical premium.

7.0 Development Values

7.1 The proposed scheme includes the following:

Use	Sqft (NIA)
Office	234,740
Affordable Workspace	4,997
Retail	9,275

Office Values

7.2 The proposals include 234,740 sqft (NIA) of office space and GE have adopted the following valuation assumptions within their appraisal:

Use	CBRE Rent	CBRE Yield	CBRE Rent Free	CBRE Void
Office	£23,408,089 pa (£99.70 psf)	4.75%	24-months	9-months (33% pre let)

7.3 In establishing the above, GE have sought advice from CBRE who have based their valuation assumptions on the basis of a Grade A sustainable building.

7.4 We have sought advice from Crossland Otter Hunt ('COH') whose report is attached at Appendix 5. Full details regarding COH's assumptions can be found within their report, and we have summarised their position below:

Use	COH Rent	COH Yield	COH Rent Free	COH Void
Office	£24,198,756 pa (£103 psf)	4.75%	24-months	6-months (50% pre let)

7.5 As shown above, COH have determined a higher annual rent and a reduced void period when compared to CBRE's position. We have adopted COH's figures for the purposes of our appraisal.

Affordable Workspace Values

7.10 The proposals include 4,997 sqft (NIA) of affordable workspace which we estimate to be approx 2% of the total office floor space.

7.11 GE have adopted the following valuation assumptions within their appraisal:

Use	GE Rent	GE Yield	GE Rent Free	GE Void
Affordable Workspace	£58 psf	4.75%	24-months	9-months

- 7.12 It is unclear how the £58 psf rent has been determined noting that GE's report refers to both 50% and 75% of market rent.
- 7.13 We understand that the Local Plan requires 20% of floorspace within significant commercial developments to be provided at 50% of market rent but the Council will negotiate with developers on a case by case basis. For example, the Council may accept less than 20% should the rent be provided at a greater discount than 50% (Affordable Workspace Strategy, October 2023).
- 7.14 We consider that what constitutes an acceptable affordable rent in this case to be a matter to be agreed between the Applicant and the Council. Pending confirmation from the Council as to an acceptable affordable rent we have adopted GE's rental assumption.
- 7.15 We have adopted other valuation inputs in line with those used above for the office space which we note have been provided to us by COH.

Retail Values

- 7.7 The proposals include 9,275 sqft (NIA) of lettable retail space and GE have adopted the following valuation assumptions within their appraisal:

Use	GE Rent	GE Yield	GE Rent Free	GE Void
Retail	£422,615 pa (£45.56 psf)	4.75%	12-months	6-months

- 7.8 GE have sought advice from Davis Coffey Lyons ('DCL') and have adopted their upper end rents of £80 psf for Unit 1 and £60 psf for Unit 2. For the other retail unit GE advise that the current tenant, Nisbet, want to remain in occupation and therefore they have applied the passing rent to the revised floor area (£32.76 psf).
- 7.9 DCL note that they expect leases of 10-15 years with 5 yearly rent reviews. No comment is made regarding voids, tenant incentives or investment yield.
- 7.10 We have sought advice from COH whose report is attached at Appendix 5. Full details regarding COH's assumptions can be found within their report, and we have summarised their position below:

Use	COH Rent	COH Yield	COH Rent Free	COH Void
Retail	£466,960 (£50.35 psf)	4.75%	24-months	6-months

- 7.11 As shown above, COH have determined a higher annual rent but a greater rent free period when compared to CBRE's position. We have adopted COH's figures for the purposes of our appraisal.

8.0 Development Costs

Construction Costs

- 8.1 Our Cost Consultant, Neil Powling, has analysed the build cost plan for the proposed scheme prepared by Gardiner & Theobald ('G&T'), dated 15th November 2024, and concludes that the proposed base build costs (£145,540,000) are reasonable.
- 8.2 The full cost report can be found at Appendix 1.

Additional Costs

- 8.3 GE have applied the following additional cost assumptions:
- **Contingency fees of 7.5%**
- 8.4 Our Cost Consultant has advised that the contingency allowance is acceptable for this particular scheme noting it is a mix of rehabilitation and vertical extension.
- **Professional fees of 10%**
- 8.5 We consider the professional fee allowance to be broadly acceptable and in line with our expectations for viability testing purposes.
- **Survey costs of £1,197,000**
- 8.6 We are advised by GE that this figure is a budget allowance for a range of surveys. We would expect the costs associated with surveys to be included in the professional fee budget which we note is over £15 million. Given that this is a budget sum, and that professional fees are already included at a standard rate, we require further evidence to support this figure. We also question why this cost does not apply to the BLV assessment as well.
- **OPEX budget of £790,000**
- 8.7 GE have advised that the OPEX cost is based on an estimate to cover remedial works ahead of redevelopment. We understand that £400,000 is budgeted for façade remedial works and the remaining £290,000 is said to be budgeted for RAAC concrete investigations and asbestos management.
- 8.8 Again, we question whether such costs would fall under the professional fee allowance already included in the assessment. We also question why these costs have also not been factored into the BLV assessment on the basis that such works would also apply in the context of refurbishment to the existing property.

8.9 Given that this is a budget sum, and that professional fees are already included at a standard rate we require further evidence to support this additional fee.

- **Legal/commercial fees of £400,000**

8.10 GE have advised that these costs are required in order to secure Vacant Possession of the site. We have not received evidence to support costs at this level. Whilst we acknowledge that VP costs may be required, in the absence of evidence we are unable to satisfactorily review this figure. We consider that more evidence is required to support these costs and note that these should also be included in the BLV assessment.

- **Third party costs of £5,500,000**

8.11 In the absence of evidence, we are unable to satisfactorily review this figure. We require further evidence in order to comment further.

- **Service charges of £2,517,238**

8.12 GE have assumed that service charges for the building range between £14 and £17 psf and have therefore budgeted for the lower end of this range for the pre-commencement period. This is on the assumption that the building will be fully maintained and operated for the existing charity leases and to safeguard a light refurbishment option.

8.13 We have sought the opinion of COH who consider £14 psf to be broadly reasonable for the proposed space given that it will in effect be “new” and the additional floor space will result in economies of scale when running the building.

- **Empty rates of £2,373,051**

8.14 GE advise that this is based on the assumption that empty rates are payable for 3-months at 50% of net effective estimated rental value. We require further clarity on how this figure has been calculated.

- **Tenant contribution of £13,359,000**

8.15 We understand from GE that this is the cost associated with tenant contributions towards CAT A fit out of the proposed commercial space. We note that a summary has been provided in the G&T cost plan which shows a total of £13,359,000 (£613 psqm).

8.16 Our Cost Consultant has advised that insufficient detail has been provided in the cost plan as this is presented as a lump sum cost with no detailed build up. In the absence of such detail, we are unable to review this figure.

- 8.17 Our Cost Consultant also notes that fit out for Level 5 is already included within the base build cost estimate (£2,346,000). As such we require further detail from the Applicant to ensure that fit out is not being doubled counted for this level.

Disposal Fees

- 8.18 GE have applied the following disposal fee assumptions:

- Commercial letting fee of 10% (on rent)
- Commercial letting legal fee of 5% (on rent)
- Commercial marketing fee of 1.5% (on rent)
- Commercial sales agent fee of 1% (on GDV)
- Commercial legal fees of 0.5% (on GDV)
- Purchaser's costs of 6.8% (on GDV)

- 8.19 We consider the above fees to be broadly in line with our expectations.

CIL/S106 Costs

- 8.20 S106 charges have been assumed at £1,594,102, and CIL charges have been assumed at £3,627,000. We have not verified these figures and request that the Council confirm these amounts. Pending confirmation from the Council we have adopted these figures within our appraisal.

Finance

- 8.21 Finance has been included at 8% assuming that the scheme is 100% debt financed. We consider this finance allowance to be above our expectations and have amended this to 7.5% which we note is at the very upper end of what we are seeing agreed across other schemes.

Profit

- 8.22 The developer profit target adopted by GE is 15% on GDV. We consider this profit target allowance to be generally reasonable for this scheme.

Development Timeframes

- 8.23 GE have adopted the following development timeframes:

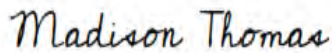
- Pre-construction: 3-months
- Soft strip out & de-clad: 7-months
- Further enabling works: 6-months

- Construction: 24-months

8.24 Our Cost Consultant has advised that the pre-construction, strip out and enabling work timescales are broadly reasonable in this instance. Our consultant advises that the construction period appears slightly high and consider a reduced period of 21-months to be more appropriate based on the BCIS duration indicator estimate.

9.0 Author Sign Off

- 9.1 This report is provided for the stated purpose and for the sole use of the named clients. This report may not, without written consent, be used or relied upon by any third party.
- 9.2 The author(s) of this report confirm that there are no conflicts of interest and measures have been put in place to prevent the risk of the potential for a conflict of interest. In accordance with the RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting* September 2019, this report has been prepared objectively, impartially, and with reference to all appropriate sources of information.
- 9.3 The following persons have been involved in the production of this report:



Madison Thomas MRICS
RICS Registered Valuer
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For and on behalf of
BPS Chartered Surveyors



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For and on behalf of
BPS Chartered Surveyors

4th February 2025

Appendix 1: Build Cost Report

Project: 125 Shaftsbury Avenue Camden WC2H 8AD
2024/5408/P

Independent Review of Assessment of Economic Viability

1 SUMMARY

- 1.1 We have excluded the fit out from the Applicants cost in the elemental analysis to compare to our benchmark calculation, and considered the fit out separately. Our benchmarking results in an adjusted benchmark of £4,368/m² that compares to **the Applicant's £4,512/m²**. Although the Applicants costs exceed our adjusted benchmark by £144/m² (3.2%) our examination of the costs in the estimate results in our view that we consider them reasonable.
- 1.2 The CAT A fit out to L5 has been calculated at £2,346,000 (£824/m²). The BCIS average cost for fit out of existing offices is £2,095/m². We therefore consider these costs reasonable.
- 1.3 An allowance of £13,359,000 has been included for Fit out - tenant contribution. **This sum has been shown separately in the appraisal under "Other Construction Costs". There is no build up to this sum nor any further information. We are unable to comment without further detail.**
- 1.4 **The duration allowed in the Applicant's appraisal comprises a pre-construction** period including soft strip and further enabling works of 16 months and a construction period of 24 months. The results determined from the BCIS duration calculation provides an estimated average construction duration from start on site to construction completion of 84 weeks (19.4 months) with a 90% confidence interval for this estimate of 78 to 91 weeks (18 to 21 months). We consider the **Applicant's allowance for pre-construction** reasonable. However, we consider the duration for construction compared to BCIS a bit high and suggestion a provision of 21 months.
- 1.5 The EUV is stated as based on a light refurbishment of the existing building. The cost is £4,970,000 (exc fees) on a GIA of 22,863m² which equates to £217/m². The **Design and Access Statement under the heading of "Condition of the Existing Facade" states "Moreover, the current façade has been deteriorating with brick being at risk of falling. As a result, as a temporary measure, parts of the façade are covered with protective netting."** We suggest the extent of works required will be in excess of a light refurbishment, and the extent and costs should be reconsidered.

2 METHODOLOGY

- 2.1 The objective of the review of the construction cost element of the assessment of economic viability is to benchmark the Applicant's costs against RICS Building Cost Information Service (BCIS) average costs. We use BCIS costs for benchmarking because it is a national and independent database. Many companies prefer to benchmark against their own data which they often treat as confidential. Whilst this is understandable as an internal exercise, in our view it is insufficiently robust as a tool for assessing viability compared to benchmarking against BCIS. A key characteristic of benchmarking is to measure performance against external data.

Whilst a company may prefer to use their own internal database, the danger is **that it measures the company's own projects against others of** its projects with no external test. Any inherent discrepancies will not be identified without some independent scrutiny.

- 2.2 BCIS average costs are provided at mean, median and upper quartile rates (as well as lowest, lower quartile and highest rates). We generally use mean or occasionally upper quartile for benchmarking. The outcome of the benchmarking is little affected, as BCIS levels are used as a starting point to assess the level of cost and specification enhancement in the scheme on an element-by-element basis. BCIS also provide a location factor compared to a UK mean of 100; our benchmarking exercise adjusts for the location of the scheme. BCIS Average cost information is available on a default basis which includes all historic data with a weighting for the most recent, or for a selected maximum period ranging from 5 to 40 years. We generally consider both default and maximum 5-year and also 30-year average prices. We have previously considered 5-year data more likely to reflect current regulations, specification, technology and market requirements, but because of reduce sample sizes in the last 5 years we consider the default values the most appropriate for benchmarking.
- 2.3 BCIS average prices are available on an overall £ per sqm and for new build work on an elemental £ per sqm basis. Rehabilitation/conversion data is available an overall £ per sqm and on a group element basis i.e., substructure, superstructure, finishings, fittings and services - but is not available on an elemental basis. A comparison of the applicants elemental costing compared to BCIS elemental benchmark costs provides a useful insight into any differences in cost. For example: planning and site location requirements may result in a higher-than-normal cost of external wall and window elements.
- 2.4 If the application scheme is for the conversion, rehabilitation or refurbishment of an existing building, greater difficulty results in checking that the costs are reasonable, and the benchmarking exercise must be undertaken with caution. The elemental split is not available from the BCIS database for rehabilitation work; the new build split may be used instead as a check for some, but certainly not all, elements. Works to existing buildings vary greatly from one building project to the next. Verification of costs is helped greatly if the cost plan is itemised in reasonable detail thus describing the content and extent of works proposed.
- 2.5 BCIS costs are available on a quarterly basis - the most recent quarters use forecast figures; the older quarters are firm. If any estimates require adjustment on a time basis, we use the BCIS all-in Tender Price Index (TPI).
- 2.6 BCIS average costs are available for different categories of buildings such as flats, **houses, offices, shops, hotels, schools etc.** The **Applicant's cost** plan should ideally keep the estimates for different categories separate to assist more accurate benchmarking. However, **if the Applicant's cost plan does not distinguish different** categories, we may calculate a blended BCIS average rate for benchmarking based on the different constituent areas of the overall GIA.
- 2.7 To undertake the benchmarking, we require a cost plan prepared by the applicant; for preference in reasonable detail. Ideally the cost plan should be prepared in BCIS elements. We usually have to undertake some degree of analysis and rearrangement before the **applicant's** elemental costs can be compared to BCIS elemental benchmark figures. If a further level of detail is available showing the build-up to the elemental totals it facilitates the review of specification and cost

allowances in determining adjustments to benchmark levels. An example might be fittings that show an allowance for kitchen fittings, bedroom wardrobes etc that is in excess of a normal BCIS benchmark allowance.

- 2.8 To assist in reviewing the estimate we require drawings and (if available) specifications. Also, any other reports that may have a bearing on the costs. These are often listed as having being used in the preparation of the estimate. If not provided we frequently download additional material from the documents made available from the planning website.
- 2.9 BCIS average prices per sqm include overheads and profit (OHP) and preliminaries costs. BCIS elemental costs include OHP but not preliminaries. Nor do average prices per sqm or elemental costs include for external services and external works costs. Demolitions and site preparation are excluded from all BCIS costs. We consider the Applicants detailed cost plan to determine what, if any, abnormal and other costs can properly be considered as reasonable. We prepare an adjusted benchmark figure allowing for any costs which we consider can reasonably be taken into account before reaching a conclusion on the **applicant's** cost estimate.
- 2.10 We undertake this adjusted benchmarking by determining the appropriate location adjusted BCIS average rate as a starting point for the adjustment of abnormal and enhanced costs. We review the elemental analysis of the cost plan on an element-by-element basis and compare the Applicants total to the BCIS element total. If there is a difference, and the information is available, we review the more detailed build-up of information considering the specification and rates to determine if the additional cost appears justified. If it is, then the calculation may be the difference between the cost plan elemental £/m² and the equivalent BCIS rate. We may also make a partial adjustment if in our opinion this is appropriate. The BCIS elemental rates are inclusive of OHP but exclude preliminaries. If the **Applicant's costings add preliminaries and OHP at the end of the estimate (as most typically do)** we add these to the adjustment amounts to provide a comparable figure to the Applicant's cost estimate. The results of the elemental analysis and BCIS benchmarking are generally issued as a PDF but upon request can be provided as an Excel spreadsheet.
- 2.11 We have considered the duration of the construction period by reference to the average duration calculation resulting from use of the BCIS Duration Calculator, and if we consider appropriate have drawn attention to any significant divergence **between the Applicant's duration and the BCIS calculation**. The duration is expected to be the result of a programme in appropriate detail for the stage of the project that should be prepared by a specialist in the field. We consider our experience of construction and duration sufficient for benchmarking comparisons using BCIS, but do not possess the appropriate qualifications and experience for undertaking a more detailed examination of the construction duration.

3 GENERAL REVIEW

- 3.1 We have been provided with and relied upon the Site Specific Financial Viability Assessment issued Nov 2024 by Gerald Eve including Appendix 4 the Stage 2 Cost Plan Rev No.2 issued 15 November 2024 by Gardiner & Theobald - Base Nov 2024 and Appendix 7 the Feasibility Estimate issued 1 October 2024 by Gardiner & Theobald - Base 4Q2024.

We have also downloaded a number of files from the planning web site.

- 3.2 The information we require to undertake the cost benchmarking process outlined
- 3.3 in section 2 is a reasonably detailed cost estimate in elemental detail with each element separately costed, with separate sub-totals in accordance with the BCIS/NRM rules of measurement, preferably presented as an elemental summary, and supported by a sufficiently detailed build-up to indicate the proposed specifications. If fit-out is separated in the estimate it too should be in similar elemental detail.
- 3.4 The Order of Cost Estimate received has been prepared in elemental detail although without an elemental summary. The costs generally exclude fit out although fit out has been included for Level 5 and for the affordable workspace. There is also a lump sum provision for tenant contribution fit out. The services costs are also in elemental detail. There is good supporting detail.
- 3.5 The base date of the cost plan is 4Q2024 on a current day basis. Our benchmarking uses current BCIS data which is on a current tender firm price basis. The BCIS all-in Tender Price Index (TPI) for 4Q2024 is 397 (Provisional) and for 1Q2025 403 (Provisional).
- 3.6 The design information used to produce the cost plan has been scheduled. The information includes structural and services drawings.
- 3.7 The cost plan includes an allowance of 13.8% for preliminaries. The allowance for overheads and profit (OHP) is 5.9% (based on the total of all costs including the fit out inclusions). We consider both of these allowances reasonable.
- 3.8 The allowance for contingencies is 7.3% which we consider reasonable for these works that comprise a mix of rehabilitation and vertical extension. The appraisal calculates the contingency at 7.5%. All the % figures are based on a calculation of a conventional arrangement of the sums in the analysis.
- 3.9 We have extracted the cost information provided by the Applicant into a standard BCIS/NRM format to facilitate our benchmarking.
- 3.10 We have downloaded current BCIS data for benchmarking purposes including a Location Factor for Camden of 129 that has been applied in our benchmarking calculations.
- 3.11 We have **adopted the same GIA used in the Applicant's cost plan; we assume this** to be the GIA calculated in accordance with the RICS Code of Measurement 6th Edition 2007.
- 3.12 The building is a 14-storey building of offices. We have prepared a blended rate for benchmarking as the table below.

	GIA m ²	%	BCIS £/m ²	Blended £/m ²
Refurbish existing offices - exc fit out	19,181	57.6%	1,877	1,081
Vertical extension of office - exc fit out	10,990	33.0%	1,708	564
Affordable workspace - fit out Cat A	464	1.4%	3,428	48

Retail - shops	2,662	8.0%	1,567	125
Total	33,297	100.0%		1,818

- 3.14 We have excluded the fit out from the Applicants cost in the elemental analysis to compare to our benchmark calculation, and considered the fit out separately. Our benchmarking results in an adjusted benchmark of £4,368/m² that compares to **the Applicant's £4,512/m². Although the Applicants costs exceed our adjusted benchmark by £144/m² (3.2%) our examination of the costs in the estimate results in our view that we consider them reasonable.**
- 3.15 The CAT A fit out to L5 has been calculated at £2,346,000 (£824/m²). The BCIS average cost for fit out of existing offices is £2,095/m². We therefore consider these costs reasonable.
- 3.16 An allowance of £13,359,000 has been included for Fit out - tenant contribution. **This sum has been shown separately in the appraisal under "Other Construction Costs". There is no build up to this sum nor any further information. We are unable to comment without further detail.**
- 3.17 **The duration allowed in the Applicant's appraisal comprises a pre-construction period including soft strip and further enabling works of 16 months and a construction period of 24 months.** The results determined from the BCIS duration calculation provides an estimated average construction duration from start on site to construction completion of 84 weeks (19.4 months) with a 90% confidence interval for this estimate of 78 to 91 weeks (18 to 21 months). We consider the **Applicant's allowance for pre-construction** reasonable. However, we consider the duration for construction compared to BCIS a bit high and suggestion a provision of 21 months.
- 3.18 The areas and costs included in the appraisal are consistent with the areas and costs in the cost plan.
- 3.19 The EUV is stated as based on a light refurbishment of the existing building. The cost is £4,970,000 (exc fees) on a GIA of 22,863m² which equates to £217/m². The **Design and Access Statement under the heading of "Condition of the Existing Facade" states "Moreover, the current façade has been deteriorating with brick being at risk of falling. As a result, as a temporary measure, parts of the façade are covered with protective netting." We suggest the extent of works required will be in excess of a light refurbishment, and the extent and costs should be reconsidered.**

BPS Chartered Surveyors
Date: 9th January 2025

125 Shaftsbury Avenue Camden WC2H 8AD

Elemental analysis & BCIS benchmarking

			New build		Rehab
			LF100	LF129	LF129
GIA m²			33,297		
	£	£/m²	£/m²	£/m²	£/m²
Demolitions, asbestos and soft strip 5.9%	7,368,000	221			64
1 Substructure	4,026,000	121	209	270	46
2A Frame	11,907,806	358	146	188	
2B Upper Floors	4,196,000	126	74	95	
2C Roof	4,819,301	145	189	244	
2D Stairs	865,000	26	39	50	
2E External Walls	23,627,595	710	259	334	
2F Windows & External Doors	870,000	26	147	190	
2G Internal Walls & Partitions	2,485,000	75	92	119	
2H Internal Doors	1,187,000	36	56	72	
2 Superstructure	49,957,702	1,500	1,002	1,293	414
3A Wall Finishes			59	76	
3B Floor Finishes	12,926,000	388	93	120	
3C Ceiling Finishes			53	68	
3 Internal Finishes	12,926,000	388	205	264	281
L5 Fit Out	2,346,000	70			
Fit out - tenant contribution	13,359,000	401			
4 Fittings	640,000	19	33	43	57
5A Sanitary Appliances			24	31	
5B Services Equipment (kitchen, laundry)			23	30	
5C Disposal Installations	1,034,000	31	19	25	
5D Water Installations	1,849,000	56	42	54	
5E Heat Source	1,281,000	38	90	116	
5F Space Heating & Air Treatment	5,932,000	178	183	236	
5G Ventilating Systems, smoke extract & control	3,140,000	94	101	130	
5H Electrical Installations (power, lighting, emergency lighting, standby generator, UPS, PV Panels)	6,526,000	196	235	303	
5I Fuel Installations	200,000	6	3	4	
5J Lift Installations	4,375,000	131	32	41	
5K Protective Installations (fire fighting, dry & wet risers, sprinklers, lightning protection)	2,424,000	73	8	10	
5L Communication Installations (burglar, panic alarm, fire alarm, cctv, door entry, public address, data cabling, tv/satellite, telecommunication systems, leak detection, induction loop)	5,403,000	162	73	94	
5M Special Installations - (window cleaning, BMS, medical gas)		0	48	62	
5N BWIC with Services and fire stopping	973,000	29	25	32	
5O Management of commissioning of services - & testing	834,000	25			
MEP Preliminaries	4,440,000	133			
5 Services	38,411,000	1,154	906	1,169	866
6A Site Works	1,459,490	44			
6B Drainage					
6C External Services	1,395,000	42			
6D Minor Building Works					
6 External Works 2.2%	2,854,490	86	0	0	
SUB TOTAL	131,888,192	3,961	2,355	3,038	1,728
7 Preliminaries 13.8%	18,215,000	547			
Overheads & Profit 5.9%	8,793,000	264			
SUB TOTAL	158,896,192	4,772	2,355	3,038	1,728
Design Development risks					
Construction risks 7.3%	11,643,000	350			
Employer change risks					
Employer other risks - rounding	808	0			
TOTAL	170,540,000	5,122			
		5,122			
Less fit out to L5 and tenant contribution (blended rate excludes fit out)		610			
Applicant cost excluding fit out		4,512			
Benchmarking - blended rate (excl fit out)		1,818			
Add demolitions	221				
Add external works	86				
Add additional cost of substructure	75				
Add additional cost of superstructure	1,086				
Add additional cost of finishes	107				
Add additional cost of services	288				
	1,863				
Add prelims 13.8%	257				
Add OHP 5.9%	125	2,245			
		4,063			
Add contingency 7.5%		305			
Total adjusted benchmark		4,368	3.2%		

Appendix 2: BPS BLV Appraisal

BPS BLV Appraisal (DRAFT)
125 Shaftesbury Avenue, WC2H
Refurb of Existing Property

Development Appraisal
BPS Surveyors
04 February 2025

APPRAISAL SUMMARY**BPS SURVEYORS**

BPS BLV Appraisal (DRAFT)
125 Shaftesbury Avenue, WC2H
Refurb of Existing Property

Appraisal Summary for Phase 1

Currency in £

REVENUE**Rental Area Summary**

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Existing Retail	5	37,054	44.87	332,541	1,662,707	1,662,707
Existing Office	1	140,745	71.11	10,008,293	10,008,293	10,008,293
Existing Car Parking	<u>21</u>			2,500	<u>52,500</u>	<u>52,500</u>
Totals	27	177,799			11,723,500	11,723,500

Investment Valuation**Existing Retail**

Market Rent	1,662,707	YP @	6.2500%	16.0000	
(2yrs Rent Free)		PV 2yrs @	6.2500%	0.8858	23,565,564

Existing Office

Market Rent	10,008,293	YP @	6.2500%	16.0000	
(2yrs Rent Free)		PV 2yrs @	6.2500%	0.8858	141,847,641

Existing Car Parking

Market Rent	52,500	YP @	6.2500%	16.0000	
(2yrs Rent Free)		PV 2yrs @	6.2500%	0.8858	744,083

Total Investment Valuation**166,157,287****GROSS DEVELOPMENT VALUE****166,157,287**

Purchaser's Costs		(11,298,696)	
Effective Purchaser's Costs Rate	6.80%		(11,298,696)

NET DEVELOPMENT VALUE**154,858,592****NET REALISATION****154,858,592****OUTLAY****ACQUISITION COSTS**

Residualised Price		82,922,362	
			82,922,362
Stamp Duty		4,135,618	
Effective Stamp Duty Rate	4.99%		
Agent Fee	1.00%	829,224	
Legal Fee	0.80%	663,379	
			5,628,221

CONSTRUCTION COSTS

Construction	Units	Unit Amount	Cost
Refurbishment Cost	1 un	4,970,000	4,970,000
Contingency		7.50%	372,750
			5,342,750

PROFESSIONAL FEES

Professional Fees	10.00%	497,000	
			497,000

MARKETING & LETTING

Agent, Legal, Marketing Fees	16.50%	1,934,377	
			1,934,377

Additional Costs

Tenant Contribution Costs	8,015,300
Empty Property Costs	4,454,579
Service Charge Shortfall	2,392,655
Survey Costs (Budget)	1,197,000
Opex (Budget)	790,000

APPRAISAL SUMMARY**BPS SURVEYORS****BPS BLV Appraisal (DRAFT)
125 Shaftesbury Avenue, WC2H
Refurb of Existing Property**

VP Costs	400,000	17,249,534
FINANCE		
Debit Rate 7.500%, Credit Rate 0.000% (Nominal)		
Land	6,245,266	
Construction	949,106	
Letting	9,166,382	
Total Finance Cost		16,360,754
TOTAL COSTS		129,934,999
PROFIT		24,923,593

Performance Measures

Profit on Cost%	19.18%
Profit on GDV%	15.00%
Profit on NDV%	16.09%
Development Yield% (on Rent)	9.02%
Equivalent Yield% (Nominal)	6.25%
Equivalent Yield% (True)	6.50%
IRR% (without Interest)	17.76%
Rent Cover	2 yrs 2 mths
Profit Erosion (finance rate 7.500)	2 yrs 4 mths

Appendix 3: BPS Proposed Scheme Appraisal

125 Shaftesbury Avenue DRAFT

Development Appraisal
BPS Surveyors
04 February 2025

APPRAISAL SUMMARY**BPS SURVEYORS****125 Shaftesbury Avenue DRAFT****Appraisal Summary for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	ft ²	Rent Rate ft ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Ground Retail - Unit 1	1	1,648	80.00	131,840	131,840	131,840
Ground Affordable Office	1	4,997	58.00	289,826	289,826	289,826
1 (atrium base) - office	1	22,347	85.00	1,899,495	1,899,495	1,899,495
2 (Internal Terrace)	1	24,769	95.00	2,353,055	2,353,055	2,353,055
3 (Internal Terrace)	1	25,343	95.00	2,407,585	2,407,585	2,407,585
4 (Internal Terrace)	1	25,109	100.00	2,510,900	2,510,900	2,510,900
5 (Internal & N Terrace)	1	24,693	100.00	2,469,300	2,469,300	2,469,300
6 (S Terrace)	1	24,043	103.00	2,476,429	2,476,429	2,476,429
7 (S/E Terrace)	1	23,388	110.00	2,572,680	2,572,680	2,572,680
8 (N & W Terraces)	1	19,071	112.50	2,145,488	2,145,488	2,145,488
9 (W & E terraces)	1	16,959	115.00	1,950,285	1,950,285	1,950,285
10 (N Terrace)	1	13,724	115.00	1,578,260	1,578,260	1,578,260
11 (S/E Terrace)	1	13,158	120.00	1,578,960	1,578,960	1,578,960
12 (Terrace)	1	2,136	120.00	256,320	256,320	256,320
Ground Retail - Unit 4	1	1,502	60.00	90,120	90,120	90,120
Ground Retail - Nisbet	1	6,125	40.00	245,000	245,000	245,000
Totals	16	249,012			24,955,543	24,955,543

Investment Valuation**Ground Retail - Unit 1**

Market Rent	131,840	YP @	4.7500%	21.0526	
(1yr 3mths Unexpired Rent Free)		PV 1yr 3mths @	4.7500%	0.9436	2,619,154

Ground Affordable Office

Market Rent	289,826	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	5,560,779

1 (atrium base) - office

Market Rent	1,899,495	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	36,444,876

2 (Internal Terrace)

Market Rent	2,353,055	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	45,147,157

3 (Internal Terrace)

Market Rent	2,407,585	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	46,193,403

4 (Internal Terrace)

Market Rent	2,510,900	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	48,175,668

5 (Internal & N Terrace)

Market Rent	2,469,300	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	47,377,505

6 (S Terrace)

Market Rent	2,476,429	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	47,514,286

7 (S/E Terrace)

Market Rent	2,572,680	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	49,361,017

8 (N & W Terraces)

Market Rent	2,145,488	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	41,164,639

9 (W & E terraces)

Market Rent	1,950,285	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	37,419,365

APPRAISAL SUMMARY**BPS SURVEYORS****125 Shaftesbury Avenue DRAFT**

10 (N Terrace)					
Market Rent	1,578,260	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	30,281,465
11 (S/E Terrace)					
Market Rent	1,578,960	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	30,294,895
12 (Terrace)					
Market Rent	256,320	YP @	4.7500%	21.0526	
(2yrs Rent Free)		PV 2yrs @	4.7500%	0.9114	4,917,913
Ground Retail - Unit 4					
Market Rent	90,120	YP @	4.7500%	21.0526	
(1yr 3mths Unexpired Rent Free)		PV 1yr 3mths @	4.7500%	0.9436	1,790,338
Ground Retail - Nisbet					
Market Rent	245,000	YP @	4.7500%	21.0526	
(1yr 5mths Unexpired Rent Free)		PV 1yr 5mths @	4.7500%	0.9364	4,829,709
Total Investment Valuation					479,092,168

GROSS DEVELOPMENT VALUE 479,092,168

Purchaser's Costs	(32,578,267)	
Effective Purchaser's Costs Rate	6.80%	(32,578,267)

NET DEVELOPMENT VALUE 446,513,901**NET REALISATION 446,513,901****OUTLAY****ACQUISITION COSTS**

Fixed Benchmark Land Value	83,000,000	
Fixed Benchmark Land Value	83,000,000	83,000,000
Stamp Duty		4,139,500
Effective Stamp Duty Rate	4.99%	
Agent Fee	1.00%	830,000
Legal Fee	0.50%	415,000
		5,384,500

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost
Construction	358,408	385.51	138,169,000
Contingency		7.50%	10,915,275
Facilitating Works/demo - Phase 1			3,319,000
Further Facilitating Works			4,049,000
			156,452,275

Other Construction

Surveys Costs	1,197,000
Opex budget (DD findings)	790,000
legal / commercial	400,000
Third Party Costs	5,500,000
Service Charge	2,517,238
Empty Rates	2,373,051
Tenant Contribution	13,359,000
	26,136,289

Section 106 Costs

S106 - 1st payment	1,062,735
S106 - 2nd payment	531,367
Borough & Mayoral CIL - 1st payment	1,813,500
Borough & Mayoral CIL - 2nd payment	1,813,500
	5,221,102

PROFESSIONAL FEES

Professional Fees	10.00%	15,240,327
		15,240,327

MARKETING & LETTING

APPRAISAL SUMMARY**BPS SURVEYORS****125 Shaftesbury Avenue DRAFT**

Marketing	1.50%	374,333	
Letting Agent Fee	10.00%	2,495,554	
Letting Legal Fee	5.00%	1,247,777	
			4,117,665

DISPOSAL FEES

Sales Agent Fee	1.00%	4,465,139	
Sales Legal Fee	0.50%	2,232,570	
			6,697,709

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land		22,079,528	
Construction		13,845,207	
Letting		11,885,704	
Total Finance Cost			47,810,438

TOTAL COSTS**350,060,305****PROFIT****96,453,596****Performance Measures**

Profit on Cost%	27.55%
Profit on GDV%	20.13%
Profit on NDV%	21.60%
Development Yield% (on Rent)	7.13%
Equivalent Yield% (Nominal)	4.75%
Equivalent Yield% (True)	4.89%

Rent Cover	3 yrs 10 mths
Profit Erosion (finance rate 7.500)	3 yrs 3 mths

Appendix 4: BPS Comparables

Office Lettings (Source: EGI Database):

	Address	Date	Sqft	Rent £pa (£psf)	Description
	Hobhouse Court, 21 Whitcomb Street, WC2H 7HA	06.11.2024	3,595	£359,500 (£100)	Second floor let to SRG 2016 Ltd on unspecified lease terms. The property was developed in 2019 to provide a mix of residential, office and retail accommodation.
	127 Charing Cross Road, WC2H 0EW	21.10.2024	4,994	£586,795 (£117.50)	Sixth floor let to Liquidity Capital UK Ltd. Refurbished office space completed Q4 2024. 24hr security and reception, private terrace and communal terrace on seventh floor. Commuter facilities. CAT-A space.
	Endeavour House, 179/199 Shaftesbury Avenue, WC2H 8JB	17.10.2024	5,035	£312,170 (£62.00)	Third floor (north) let to Thoughtworks Ltd on 5 year lease. Grade A refurbished office space. CBRE marketing available floors at £69.50 psf.
	Berkshire House, 168-173 High Holborn, WC1V 7AA	29.09.2024	5,149	£205,960 (£40.00)	Fifth floor let to Calitii. Plug and play space with 54 work stations ready for occupation. Rent inclusive of rates, service charge and insurance.
	77 St Martin's Lane, WC2N 4AA	23.09.2024	2,894	£244,543 (£84.50)	Second floor let to Select Model Agency on 5 year lease. Fitted out office space with meeting rooms and kitchenette.
	17 Slingsby Place, WC2E 9AB	08.04.2024	3,009	£287,058 (£95.40)	Fifth floor let to Assystem Energy & Infrastructure on 5 year lease. Service charge £10.56 psf. Fitted and furnished office.
	St Martin's Courtyard, 14 Upper St Martin's Lane, WC2H 9JY	15.11.2023	3,901	£346,920 (£88.93)	Second floor lease assignment to Prosek. Part of mixed use courtyard development, Yards. CAT A office space.

Office Sales (Source: EGI Database)

	Address	Date	Sqft	Price Paid (£psf)	Description
	Creston House, 10 Great Pulteney Street, W1F 9NB	06.01.2025	47,094	£49,500,000 (£1,051 psf)	1990s office building. Boohoo HQ office, purchased in 2021 for £72m. Purchased by Global Holdings Group.
	St Brides House, 10 Salisbury Square, EC4Y 8JD	24.12.2024	50,869	£22,850,000 (£449 psf)	1980s office building. Currently being marketed by Fare Brother as to be refurbished to Grade A space. Purchased by Invesco.
	90 High Holborn, WC1V 6LS	30.11.2024	183,667	£180,000,000 (£980 psf)	2000s office building. Total income £12m per annum reflecting NIY if 6.25%. Purchased by Grey Coat Real Estate LLP.
	St Margaret's House, 19-23 Wells Street, W1T 3PQ	29.10.2024	20,000	£19,000,000 (£950 psf)	Grade II listed Art Deco building. Purchased by GPE.
	30-31 Golden Square, W1F 9LD	04.10.2024	32,492	£72,250,000 (£2,224 psf)	Boutique style office space appears to have been refurbished 2023. Total income £3.3m per annum. Unspecified purchaser.
	51-55 Strand, WC2N 5LS	09.08.2024	30,000	£24,000,000 (£800 psf)	NIY 7.90%. Purchased by Grey Coat. Limited information available on purchase.

Appendix 5: Crossland Otter Hunt Report

125 SHAFTESBURY AVENUE LONDON W1



NICK SINCLAIR AND JON STANIFORTH

OF

CROSSLAND OTTER HUNT

ON BEHALF OF

BPS CHARTERED SURVEYORS

January 2025

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APPENDICES

1. EXISTING SITE PLAN
2. COMPARABLES FOR LETTINGS OF THE OFFICES
3. COMPARABLES FOR INVESTMENT SALES
4. PICTURES OF THE BUILDING IN ITS PRESENT STATE AND PRIOR TO STRIP OUT

1.0 INTRODUCTION

We have been asked to comment on the development proposal put forward for this property and give our opinion on offices for the following:

a) Benchmark Land Value:

We have been asked to look at what a 'light' refurbishment and test the reasonableness of the assumptions made around achievable rent, yield, marketing/letting voids and tenant incentives, for both retail and office.

We have been asked to look at the market for second hand space in this location.

b) Proposed Scheme:

We have been asked to test the reasonableness of the assumptions being made around achievable rent, yield, voids, tenant incentives for both the retail and office elements. We have been further asked for our understanding as to how much the proposal improves the commercial offer and how these fit with current market demand.

We will look at the location and buildings and then address each question in turn.

2.0 LOCATION AND DESCRIPTION

The property is on the North side of Shaftesbury Avenue and extends round the back of the buildings on the corner of Cambridge Circus onto Charing Cross Road.

The Site we understand is located within the London Borough of Camden and extends to an area of 0.86 acres (0.35 ha)

The area has seen office and retail development in several locations particularly on Charing Cross Road, Tottenham Court Road and Oxford Street.

The area has a number of theatres and cinemas and most recently the area around Centre Point has seen a number of new art installations put in place. Denmark Street “tin pan alley” is traditionally a centre for the music industry.

There are areas of residential to the north of the site. The Phoenix Garden to the north of the site provides green space.

The Site benefits from good transport communications. Tottenham Court Road Underground Station (Central, Northern and recently the Elizabeth Line) is close by. Leicester Square Underground Station (Northern and Piccadilly) is 200 yards to the south of the building. There are multiple bus services to all parts of London running along Oxford Street, Shaftesbury Avenue and Charing Cross Road.

The existing building comprises basement, ground floor plus nine upper floors; the upper floors have been used as offices since the building's construction and are now vacant. The current building provides we understand a Gross Internal Area (GIA) of 246,093 sq. ft. with Offices and Retail space of 177,799 sq.ft. net internal area (NIA)

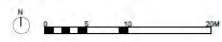
The property comprises a building of masonry cladding arranged over eleven floors providing ground floor retail space and office accommodation on the upper floors with a basement car parking facility which also has a warehouse unit we understand. The building was constructed in the 1980's and refurbished internally at the beginning of 2004. The property has air conditioning, raised floors, four lifts, reception, cycle storage, shower facilities and car parking.

We understand that further refurbishment works were undertaken by WeWork about 4 years ago during their occupation of the premises.

The existing site is contained in the red line site plan below:



Existing Ground Floor Plan
1:200



We have been provided with the following existing floor areas.

125 Shaftesbury Av – Existing		
	Use	
Floor		Area (NIA)
Level 9	Office	6,494
Level 8	Office	7,648
Level 7	Office	8,958
Level 6	Office	16,267
Level 5	Office	21,098
Level 4	Office	19,302
Level 3	Office	19,234
Level 2	Office	20,829
Level 1	Office	20,915
Ground (98/102 Charing Cross Road)	Retail	14,652
Ground (96 Charing Cross Road)	Retail	9,085
Ground (Unit 5 Stacey Street)	Retail	631
Ground (121 Shaftesbury Avenue)	Retail	9,928
Ground (123 Shaftesbury Avenue)	Retail	2,758
Car Parking		21 spaces
Total		177,799

3.0 PLANNING HISTORY

We have been informed that there was a previous planning permission (ref. 2016/5202/P) granted at the Site on 22 May 2018

The “2018 permission” was for: -

“Remodelling, refurbishment and extension of existing office building (Class B1) at upper floor levels, roof level and within lightwells to provide 9,682sqm additional floorspace, including terraces, a new public route, a relocated office entrance (Charing Cross Road), rooftop plant and flexible retail uses (Classes A1/A3), along with associated highway, landscaping and public realm improvements.”

We understand that this was supported at the time by Camden but that the letting to We Work meant that the scheme was not implemented and the permission lapsed due to time.

4.0 MARKET COMMENTARY

The Economy

The UK economy has struggled over the past few months. The latest budget has caused uncertainty in the economy and the high tax raising elements of the budget has influenced business sentiment. The rate of growth in the economy has stalled in the last few months and the OBS has revised the rate of growth for this year from 1.2% to 0.9%. The recent uncertainty caused by bond market has also questioned the strength of the economy. Reports in the press indicate there is the possibility of recession with evidence of companies laying off staff and not recruiting new staff.

The Bank of England reduced the borrowing rate to 4.75% in November but there have been no further reductions. The Bank have said they hoped that the rate might drop to 3.25% by the end of 2025.

Inflation dropped by 0.1% to 2.5% last month but the bank has predicted that the rate will grow to 2.7% over the second and third quarters of 2025 with it reaching at 2.8% by the end of the year. Against the negative economic outlook

Office Market

Leasing activity in the West End strengthened during the third quarter of 2024 with 2.8 million sq.ft. let. There were 8 lettings in the West End area over 50,000 sq.ft. with the largest being the pre-let of the M building to BDO on Oxford Street. This letting activity was 5% up on 2023. Supply has marginally increased to 8.6% but new and refurbished decreased by 1.3% to 5.2 million sq.ft. this masks the fact that there is only 0.3% in the West End Core.

The development pipeline increased by 11.9% to 6.7 million sq.ft. of which 4.0 million is being built speculatively.

Prime rents in Covent Garden rose to £90.00 per sq.ft. but this was driven by several schemes significantly exceeding the average prime rent.

On the investment side there were 20 transactions in Q3 of £1.3 billion although down on the previous quarter there was a year-on-year increase of 58%. The investments demand was largest for value added opportunities. UK investors bought about 47.7% of the deals and private investors represented 77.4% of the transactions.

Retail Market

Weaker domestic appetite continues to drag back growth of the market, but this should dissipate in response to slowing inflation and real wage growth.

Retailers are wary in the light of the Autumn budget with the uplift in both employer national insurance contributions and minimum wage which are likely to hit retailers' margins.

The supply of space also continues to contract with vacancy now 1% lower than this time last year, and towards the bottom end of historic norms. There are concerns however that several of the large occupiers on Oxford Street have indicated that they are moving including Microsoft, Zara, River Island, Urban Outfitters and Swarovski. This has been offset by Abercrombie and Fitch and HMV opening stores.

Investment Market

West End Office market in the later part of the year, October and November saw around 26 deals completed with a sum of £600 million. This is down on the five year average.

UK funds are beginning to buy again with Legal and General's acquisition of 30 Golden Square the first by a UK fund for two years. Generally UK purchasers were in the majority of purchases with the European Investors second and North America third.

West End retail investment reached £86m in Q3. The challenge to investment activity has been stock availability, but there are signs that this is starting to improve helped by falling debt costs and stronger occupational metrics, particularly on key streets in the West End. As a result, we anticipate investment activity to trend upward going forward.

As with previous quarters, with limited deal activity, there is little to move prime yields. It is anticipated that there will be some yield compression going forward, with Oxford Street likely to be primary beneficiary and to narrow its all-time high yield spread to Bond Street. Current retail yields show Bond Street at 3% and Oxford Street at 4.5%

*Information from JLL, Knight Frank, Colliers, Savills.

5.0 CONSIDERATION OF THE EXISTING VALUE OF 125 SHAFTESBURY AVENUE IN TERMS OF OFFICE RENTS

We have been asked to look at rental values if the building were let in its current condition but with minor works being undertaken to bring the accommodation into a lettable condition.

Factors in Determining Rent

Location

This is an improving area of the West End with several schemes having been undertaken in the last few years. Derwent's scheme above Tottenham Court Road is the way but subsequently there are schemes on Charing Cross Road and Tottenham Court Road which have completed.

As was stated earlier transport facilities are good. The recent addition of the Elizabeth Line has improved communications.

The building works

We understand a figure of £4 million (£28.00 per sq.ft) has been allocated to bring the office accommodation to a lettable standard. We understand that there were fairly major works to the building some 4 years ago when WeWork took the accommodation so that the works that would be undertaken would be cosmetic.

Planning Use

The buildings have a current Use class of E

Specification

We have assumed that the works envisaged will not change the main specifications of the buildings as set out previously.

We would caveat that we have assumed that the mechanical and electrical service will be of a condition to last a period of 5-10 years. It is likely that tenants would look for either a service charge cap or schedule of condition on the plant.

Comparables

We have looked at the comparables which have been supplied by CBRE. We have also added details of other lettings in Appendix 2

The building in its current state is in a reasonable but tired condition. We do not know however the condition of the mechanical installation and therefore for this exercise we have assumed that the mechanical systems are adequate for a ten-year term. Despite this we think that potential tenants concern over this will impact on the rents.

The building is currently accessed from a reception area on Shaftesbury Avenue which is small for a building of this size and dated. The four lifts are adequate, but the WCs are dated and pokey.

The floors are in reasonable condition and as stated will be subject to some refurbishment, but this will be cosmetic. The upper floors suffer from an odd layout with part of the floor being narrow and awkward to use.

We therefore consider that the rentals for the building in this condition are as follows.

We understand that the retail values on the existing units are in place, and we have used these figures.

Given this we feel that the buildings will achieve the following headline rents:

125 Shaftesbury Av – Existing				
	Use		Current	
Floor		Area (NIA)	Rent (£per sq.ft.)	Rent (£pa)
Level 9	Office	6,494	£80.00	£519,520.00
Level 8	Office	7,648	£77.50	£592,720.00
Level 7	Office	8,958	£75.00	£671,850.00
Level 6	Office	16,267	£80.00	£1,179,357.50
Level 5	Office	21,098	£72.50	£1,529,605.00
Level 4	Office	19,302	£70.00	£1,351,140.00
Level 3	Office	19,234	£70.00	£1,346,380.00
Level 2	Office	20,829	£67.50	£1,405,957.50
Level 1	Office	20,915	£67.50	£1,411,762.50
Ground (98/102 Charing Cross Road)	Retail	14,652	£39.24	£574,944.00
Ground (96 Charing Cross Road)	Retail	9,085		£599,973.00
Ground (Unit 5 Stacey Street)	Retail	631	£33.07	£20,867.00
Ground (121 Shaftesbury Avenue)	Retail	9,928	£28.71	£285,033.00
Ground (123 Shaftesbury Avenue)	Retail	2,758	£66.95	£181,890.00
Car Parking		21 spaces	£2500.00	£52,500.00
Total		177,799		£11,723,499.50

Office	£10,008,292.50
Retail	£1,662,707.00
Car parking	£52,000.00

We have assumed 10-year leases to be granted on a floor-by-floor basis and there may be break options at the fifth year.

We would expect rent-free periods on a ten-year term to be 24 months or the equivalent of 2.4 months per year, which may be divided to reflect the break option if agreed. We have put a void period of 9 -12 months as an average for the various floors.

In addition, we would expect that there would be a limited dilapidations liability. There is likely to be a cap and possibilities of service charge shortfalls to reflect the ageing specification.

6.0 CONSIDERATION OF THE NEW SCHEME WITH A STRIP BACK AND PARTIAL DEMOLITION OF THE EXISTING AND NEW FLOORS ADDED TO THE BUILDING

Commercial

The Proposed Development will comprise a total of 252,917 sq ft (NIA) of commercial accommodation. This will be mainly office and retail accommodation with a small provision of affordable workspace. Outlined below are the proposed commercial areas and use class:

We understand that the proposed scheme will create the following:

“Remodelling, refurbishment and extension of the existing building to provide Use Class E commercial and retail space, amenity terraces, a new public route, relocated entrances, cycle parking, servicing and rooftop plant along with associated highway, landscaping and public realm improvements and other associated works.”

We understand that the development will demolish the upper floors to allow for new floors to be added. The scheme would take down the existing wall cladding and replace this with more environmentally efficient cladding.

The new floors would be modern open plan floors and increase the floor plates up to the 11th floor while there would be a penthouse office on the 12th floor. There are terraces on most floors either externally on the upper floors or internally on the lower floors.

As part of this scheme there would be a new walkway created through the building as an extension of Old Compton Street.

The majority of the building would be for office use, improving the accommodation to provide high quality office floorspace suitable for modern office occupiers. This will provide 243,642 sq.ft. of offices and 9275 of retail. The office space includes 4,997 sq.ft. of affordable offices and a reception area of 3,905 sq.ft.

The ground floor will have the benefit of Class E uses including shops, restaurants and cafes. We understand that one of the existing tenants, Nisbits, on the Shaftesbury Avenue frontage will continue in the scheme.

We are understanding that the Car Parking currently on site will not be retained.

We have looked at the Comparables that CBRE have provided which give a broad West End appraisal of rental values. We would draw attention to these but also the updated schedule in Appendix 2

We would comment on the rents achieved, albeit dated at Ilona Rose House where rents of £120 per sq. ft were achieved.

More recently we understand, although the information is confidential that rents close to the asking terms of £120.00 per sq.ft. were achieved on the upper floors at Long Acre.

At 127 Charing Cross Road a rent has been achieved for the 6th and top floor of this building with a terrace of £117.50 per sq.ft. Cat A. specification.

There are a number of buildings also on or coming to the market where the asking terms reflect or exceed these levels of rents achieved.

We therefore have put the following office rents as follows.

In addition, we have looked at the retail rental supplied by Davis Coffey Lyons and also looked for local lettings. We were unable to find any new transactions. We have broadly agreed with their figures. The one point we have reflected is that if Nisbits did not take the retail unit on Shaftesbury Avenue then the rental achievable may be lower.

We set out below our opinion of the likely headline rents.

125 Shaftesbury Av – Redevelopment		Use	Proposed	
Floor		Area (NIA)	Rent (£per sq.ft)	Rent (£pa)
12 (Terrace)	Office	2,136	£120.00	£256,320.00
11 (S/E Terrace)	Office	13,158	£120.00	£1,578,960.00
10 (N Terrace)	Office	13,724	£115.00	£1,578,260.00
9 (W & E terraces)	Office	16,959	£115.00	£1,950,285.00
8 (N & W Terraces)	Office	19,071	£112.50	£2,145,487.50
7 (S/E Terrace)	Office	23,388	£110.00	£2,572,680.00
6 (S Terrace)	Office	24,043	£103.00	£2,476,429.00
5 (Internal & N Terrace)	Office	24,693	£100.00	£2,469,300.00
4 (Internal Terrace)	Office	25,109	£100.00	£2,510,900.00
3 (Internal Terrace))	Office	25,343	£95.00	£2,407,585.00
2 (Internal Terrace)	Office	24,769	£95.00	£2,353,055.00
1 (atrium base)	Office	22,347	£85.00	£1,899,495.00
Ground	Affordable Office	4,997	£60.00	£299,820.00
Ground	Reception*	3,905		
Ground Unit 1	Retail	1,648	£80.00	£131,840.00
Ground Unit 4	Retail	1,502	£60.00	£90,120.00
Shaftesbury Avenue	Retail	6,125	£40.00	£245,000.00
	BOH	-		
Offices		234,740		£24,198,756.50
Retail		9,275		£466,960.00
Affordable		4,997		£259,844.00
Reception		3,905		£0.00
		252,917		£24,925,560.50

Rent free periods of up to 24 months would be granted for a straight ten-year term. Void period of 6 months as an average should be allowed for this on the basis that we consider up to 50% would be pre-let during construction.

7.0 CONSIDERATION OF THE EXISTING OFFICE USE ESTIMATED VALUE OF THE PROPERTY IN TERMS OF INVESTMENT YIELDS

When applying yield to the existing use of the property, we consider this will be difficult as any purchaser is more likely to look at the development potential of the sites, as opposed to retaining as existing.

For the purpose of this exercise and the fact that we have to consider the property assuming no planning potential we would suggest applying a yield of 6.25 % to the proposed income, we consider that any leases will be short, there is unlikely to be any significant demand for this type and style of accommodation assuming the specification suggested. There is likely to be significant voids and rent frees. Any valuation/ purchaser would have regard to the ultimate capital value per sq. ft. of the property which will be consider alongside any yield.

This figure gives a capital value after costs of £988 per sq. ft, after purchasers costs

We are basing the figures above on a “no planning / no development value” to the site now or in the future and have based these yields on the basis that the existing buildings are retained.

8.0 CONSIDERATION OF THE PROPOSED OFFICE SCHEME ESTIMATED VALUE IN TERMS OF YIELDS

On this basis, we have assumed that the property is fully let and income-producing, with best office rents of circa £120.00 per sq. ft, on these lease terms providing an average weighted unexpired lease term of 10 years.

In the current market, this calibre of property, with lease terms as set out above, we consider should be appraised of a net initial yield in the region of 4.75 %, with demand from a wide investor base including high net worth individuals and family offices both from the UK and overseas. Whilst institutional investors are not currently active in the market this type of investment traditionally has proved attractive to them.

The yield at 4.75% gives a capital value around £1,942 per sq. ft after purchaser's costs for a property with a 10-year WAULT, for the new building after purchaser's costs. These are on the assumption that they are let to a good covenant. This is in line with the market evidence in Appendix 5

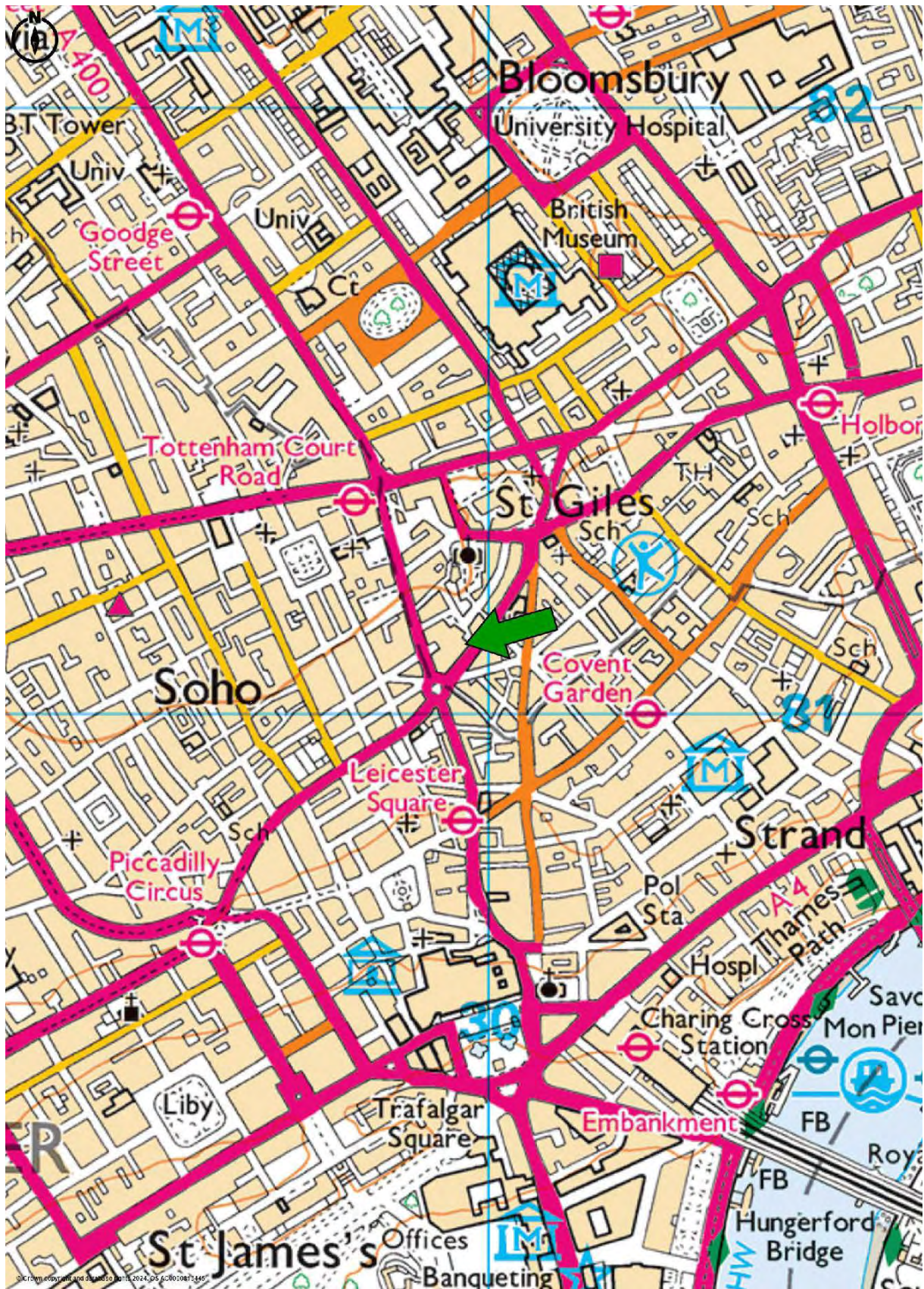
We are aware that during 2024 yields on Central London Investment properties have moved, whilst we consider that at this current point on the market the yields suggested above may be considered sharp we are of the view that a developer would work off these levels with the anticipation that current exit yields may improve between now and delivery on the investment to the market.

9.0 CONSIDERATION OF THE PROPOSED RETAIL ELEMENT OF THE SCHEME ESTIMATED VALUE IN TERMS OF YIELDS

When considering the retail element in the scheme and given its proportion of the whole rental income, we are of the view that a single yield for the whole building would apply. As such we would refer you to the office yield section of this report.

APPENDIX 1

Existing Site Plan







Existing Ground Floor Plan

1:200



PLANNING

DSDHA
201 Harington Lane, Waltham, W11 5DT
T: 020 7100 0000
W: www.dsdha.co.uk

veretec
10 South Street, London, EC4A 3DF
T: 020 7462 2700
W: www.veretec.co.uk

project
125 Shaftesbury Avenue
London
WC2H 8HR
Edge and Mitsubishi

drawing title
Existing Ground Floor Plan

sheet	date	size	scale
01	NOV 15	A1	1:200

DSDHA project ref
361

drawing number
125SA-DSO-ZZ-00-OR-JL-10000

DSO APPROVED
[Signature]
[Stamp]

DSO APPROVED
[Signature]
[Stamp]

APPENDIX 2

Comparables for Offices

Property	Floor	Sq.ft.	Lease	Rent / Sq.ft.	Rent free	Comments	Tenant
Let							
Illona Rose House	Part 1 st and 2nd	28,819	New lease from September 2024	£100.00	17months	New build in 2022	Letting to Cubo
	3 rd	18,066	Available New lease October 2024	£100.00	17 months	Both lettings had £70 psft for fit out from shell and core	Grenergy
127 Charring Cross Road	6	4,994	10-year lease	£117.5		New floor on existing building	Liquidity Capital
90, Long Acre	8 th 7 th	12,000 17,000	New 15-year lease from November 2024 Break at 10 th year.	Quoting £120 deal close to that understood	Confidential We understand market rent free	Back to frame and new build	British Standards Institution
Rathbone Square	Pt 4 th Part 5 th Part 6 th	80,626	Assignment of 15year lease 8 years remaining.	£82.50 passing		Substantial premium paid to reflect £90s psf	Monday.com
Available							
10, Howland Street	Ground lower ground and 6 upper floors	3,073 – 134,519	Available Q4 2025	£100 - £130		New build	
Maple House Tottenham Court Road	1 st /6 th /7 th	15,273 – 68,384	Available Q4 2025	£80s		Older building substantially refurbished	
15, Fitzroy Street	Ground and 6 upper floors	92,700	Available	£80-£105		Older building substantially refurbished	
Rathbone Square	1/2/3 floors	150,000	Available	£82.50 passing		Looking for premium	
127 Charing Cross Road	1-5 floors	37,081	Available	£95 - £120		New build on upper floors and back to frame below	

APPENDIX 3

Comparables for Investment Sales for 3rd and 4th Quarters 2024

Address	Size	Price in millions	Yield	Price per Sq.ft.	Seller	Buyer	Date
19-23 Whittington House	74,588	£58.50		£784		GPE	Nov 24
Dorland House Westbourne Terrace	85,457	£63.50	6.39%	£743		Mazabi	Nov 24
95 New Cavendish Street	20,677	£22.00		£1,064	Baumont	AEW	Nov 24
Frith and Bateman Frith Street		£26.00		£888	Northwood	Global Holdings	Nov 24
Oxbourne		£37.00	5.11%		Hines	Ares	Dec 24
3 St James Square	50,934	£126.00	4.05	£2,473	Joint Treasure	Reality Income	Nov 24
29 Charles Street	2,872	£5.00	4.36%	£1,741		Private buyer	Nov 24
11 Curzon Street	2,319	£8.00	4.05%	£2,102.5		Private buyer	Nov 24
7-11 Kensington High Street (Hotel)		£11.45	6.35%	£706	DTZI	Private Buyer	Nov 24
45, Pall Mall	60,672	£134.45	4.35%	£2,268	JP Morgan	Ares	Nov 24
25 North Row (L'ease 94 years)	23,187	£21.00	5.72%	£878	Unknown	Unknown	Nov 24
81 Baker Street	31,298	£33.80	5.72%	£795	Lazari	Anthony Joshua	Nov 24

APPENDIX 4

Pictures of the building in its present state and prior to strip out



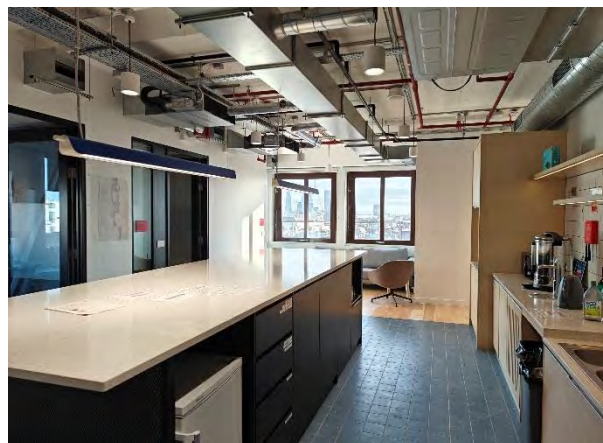
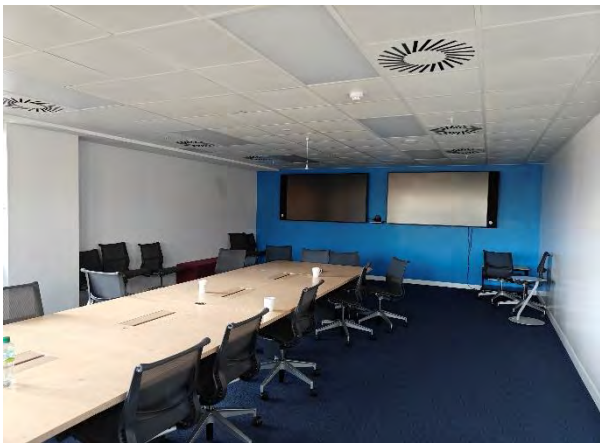
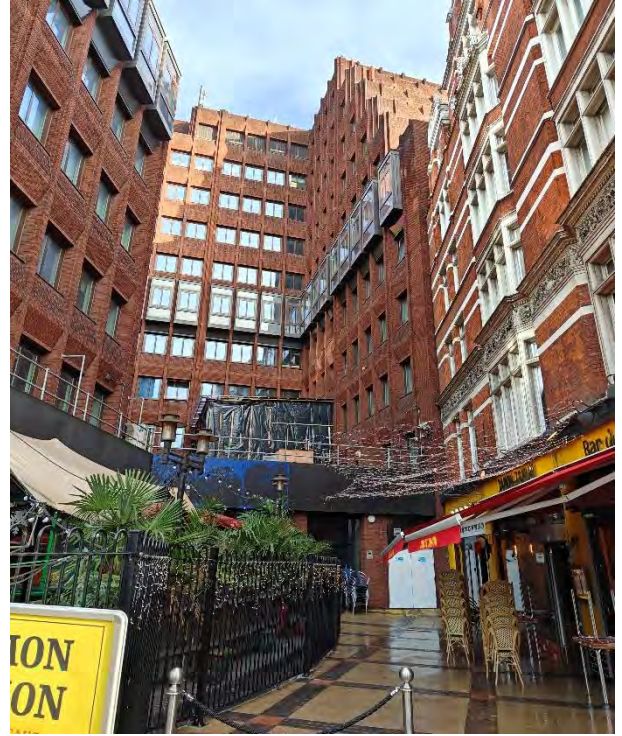








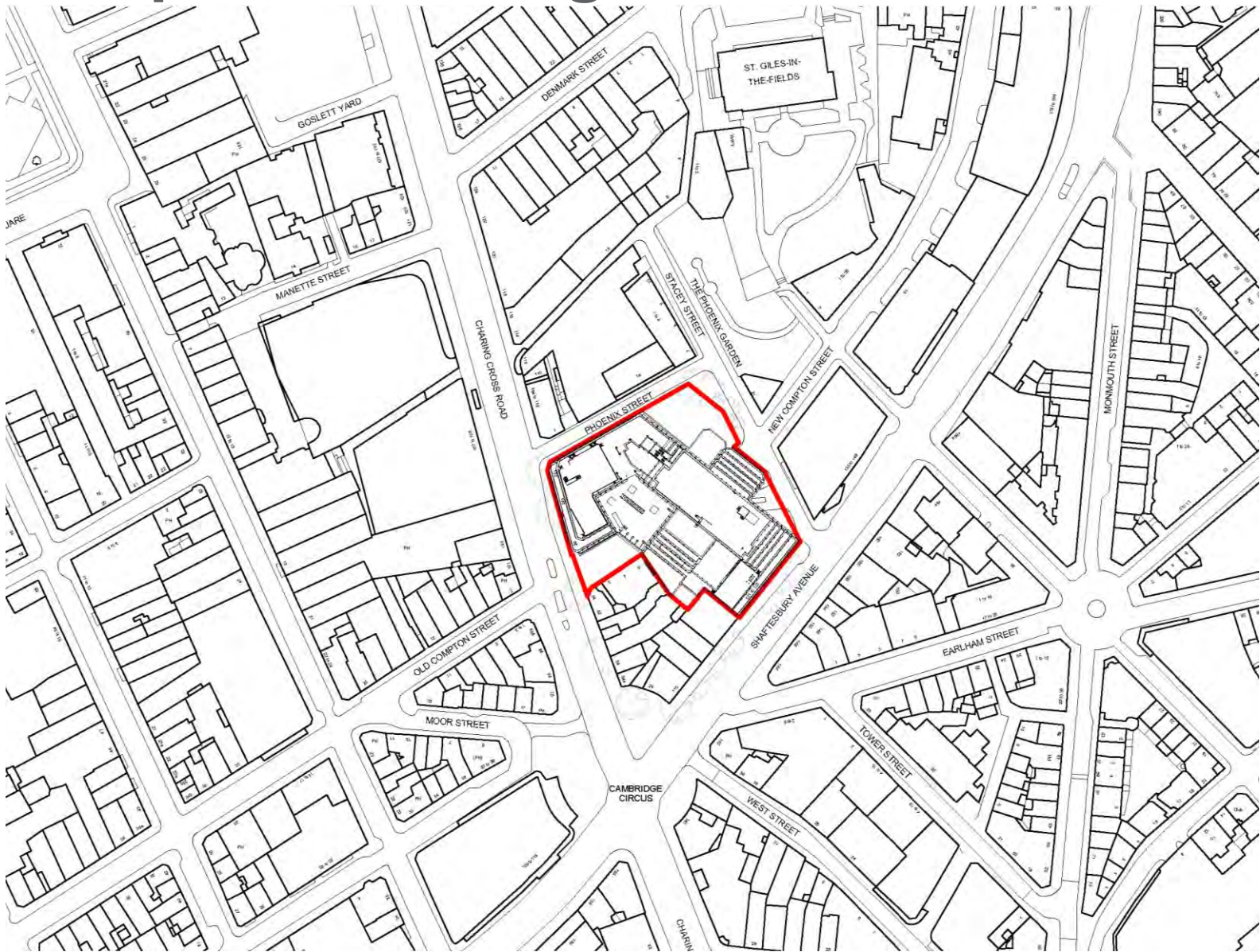
Appendix 6: Site Inspection Photographs



2024/5408/P

125 Shaftesbury
Avenue

Location plan - existing



Site plan - existing



Shaftesbury Avenue – existing elevation



Charing Cross Road – existing elevation



Bird's eye view – existing



Listed buildings in the area

Key:

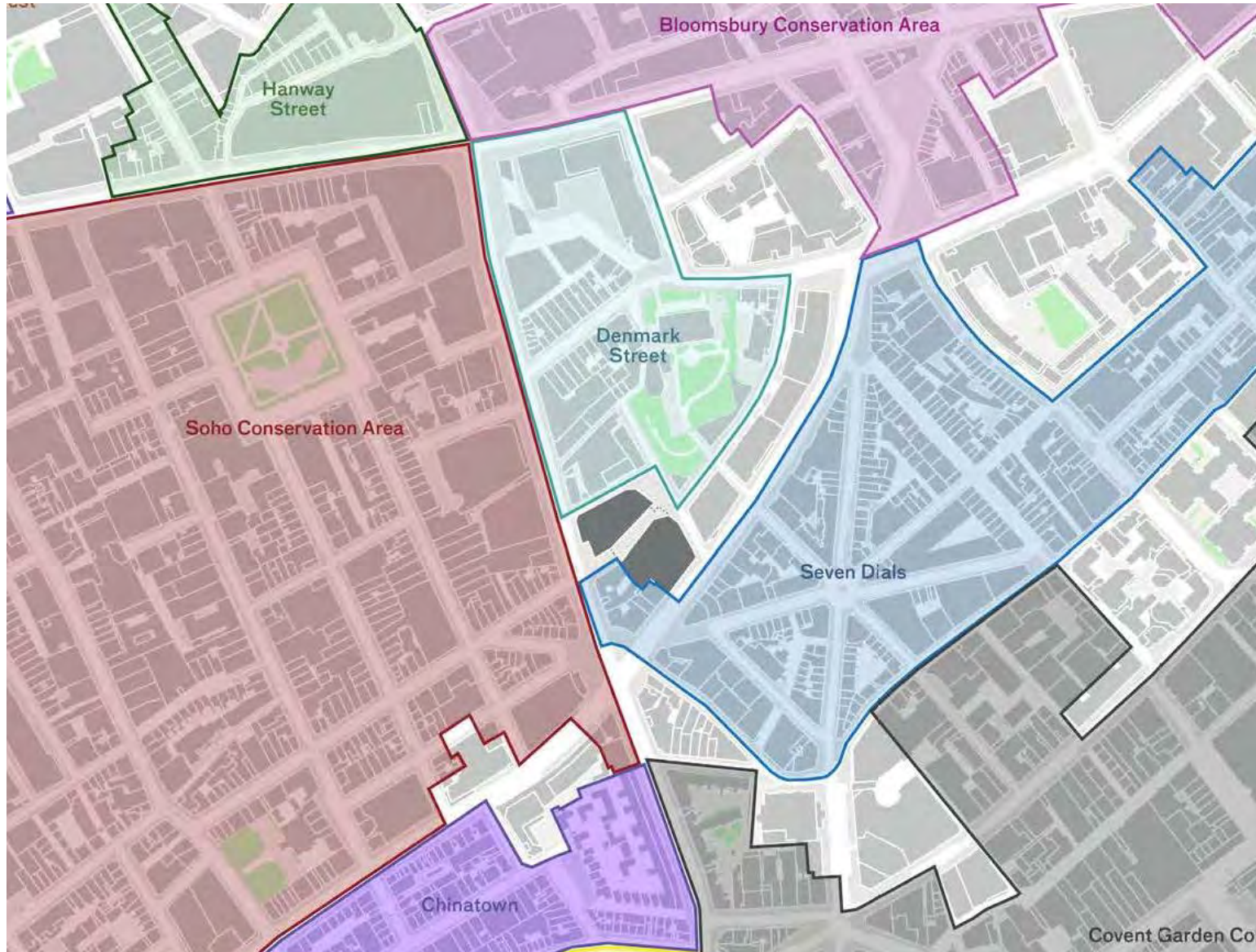
1. Odeon Cinema (former Savilles Theatre)
2. Phoenix Theatre
3. Church of St Giles-in-the-Fields
4. Gardens of St Giles-in-the-Fields
5. Elms Lester Painting Rooms
6. No.6 Flitcroft Street
7. Palace Theatre
8. Centre Point
9. No.2-6 Old Compton Street

KEY

-  Grade I
-  Grade II
-  Grade II*
-  Project Site



Conservation Areas in the vicinity



View from north



View from New Compton Street - existing



View from Charing Cross Road of Caxton Walk



Details of the existing façade



View from Shaftesbury Avenue - existing



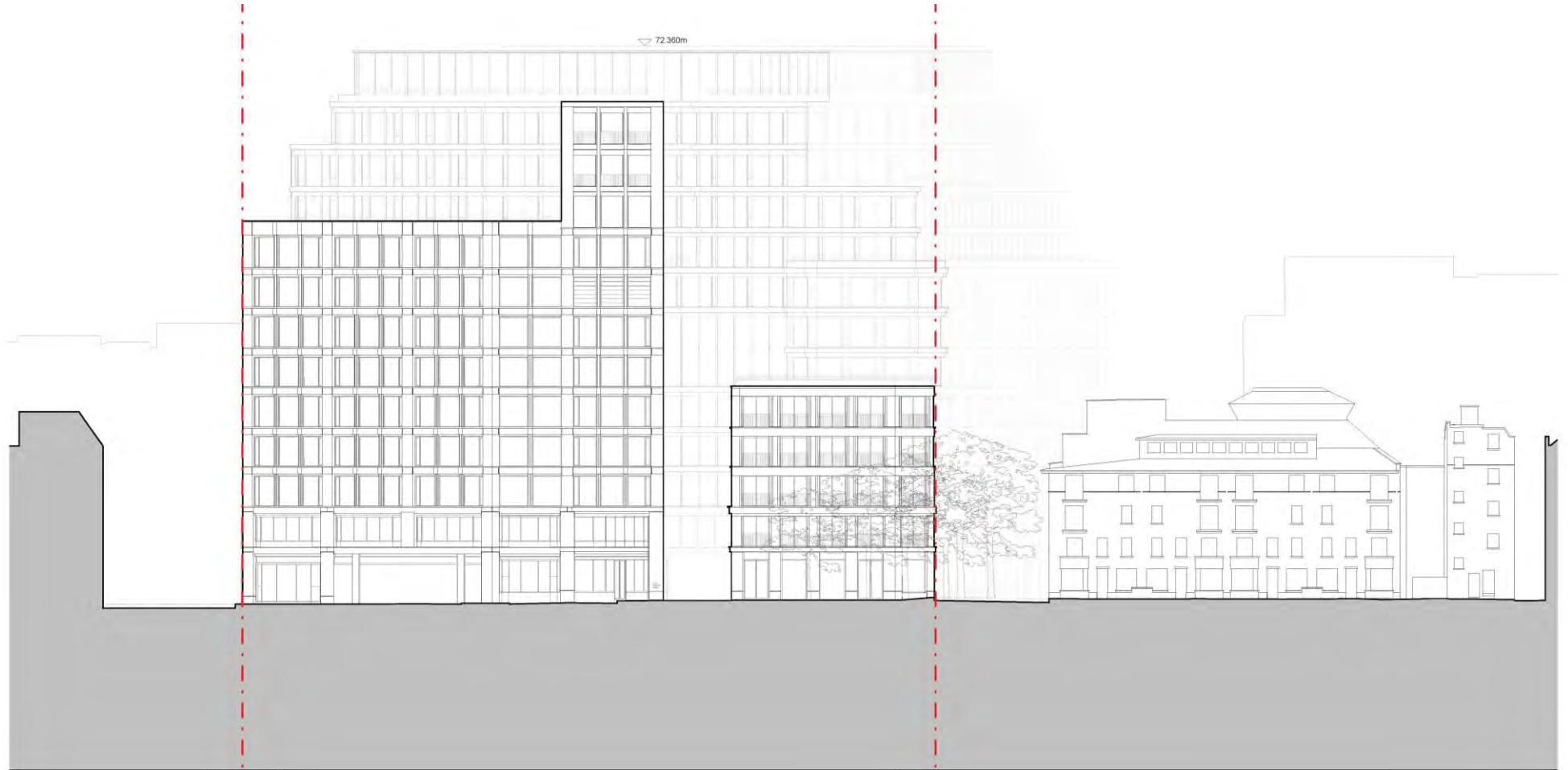
View along Stacey Street – existing



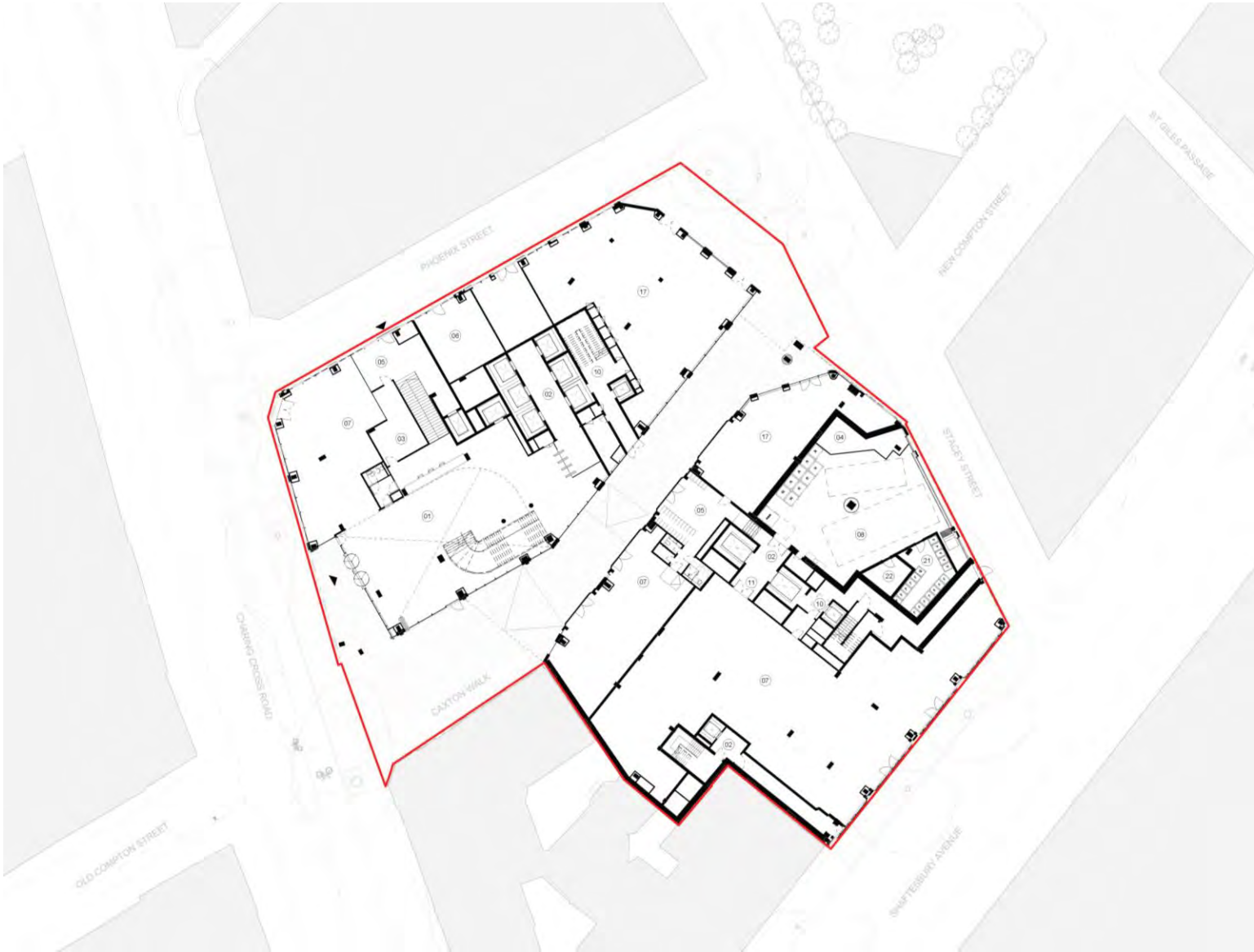
Shaftesbury Avenue – proposed elevation



Stacey Street – proposed elevation



Ground floor plan – proposed



Roof plan – proposed



View from Cambridge Circus – existing and proposed



Existing

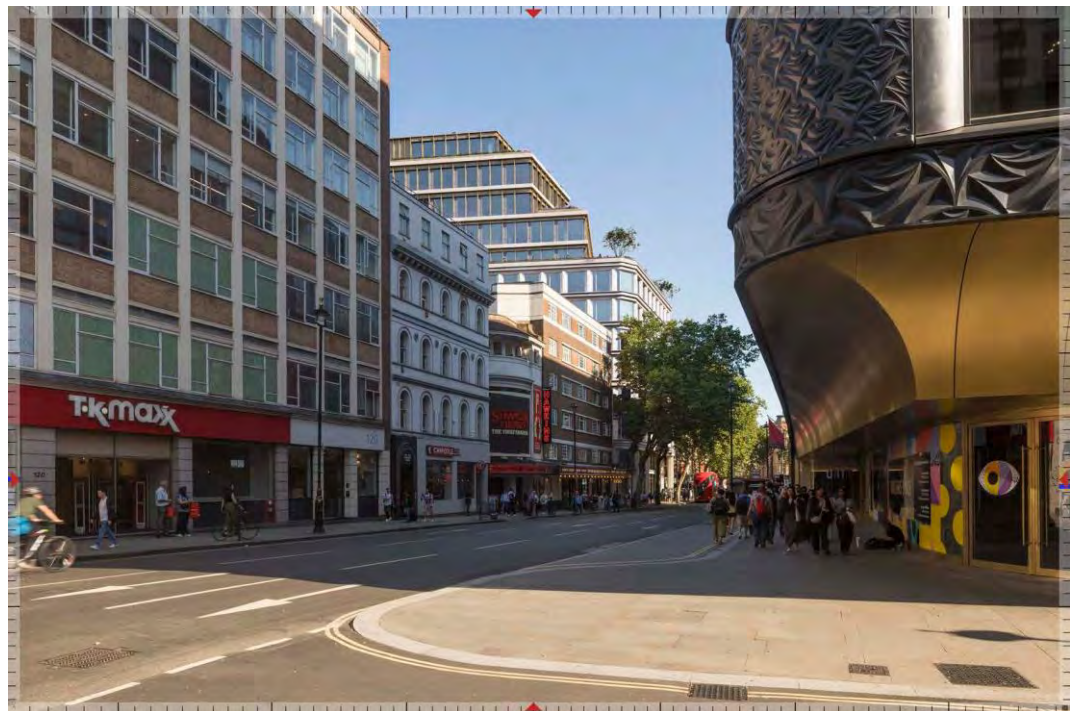


Proposed

View looking south down Charing Cross Road – existing and proposed



Existing



Proposed

View looking south-west down Shaftesbury Avenue – existing and proposed



Existing



Proposed

View from Old Compton Street – existing and proposed



Existing

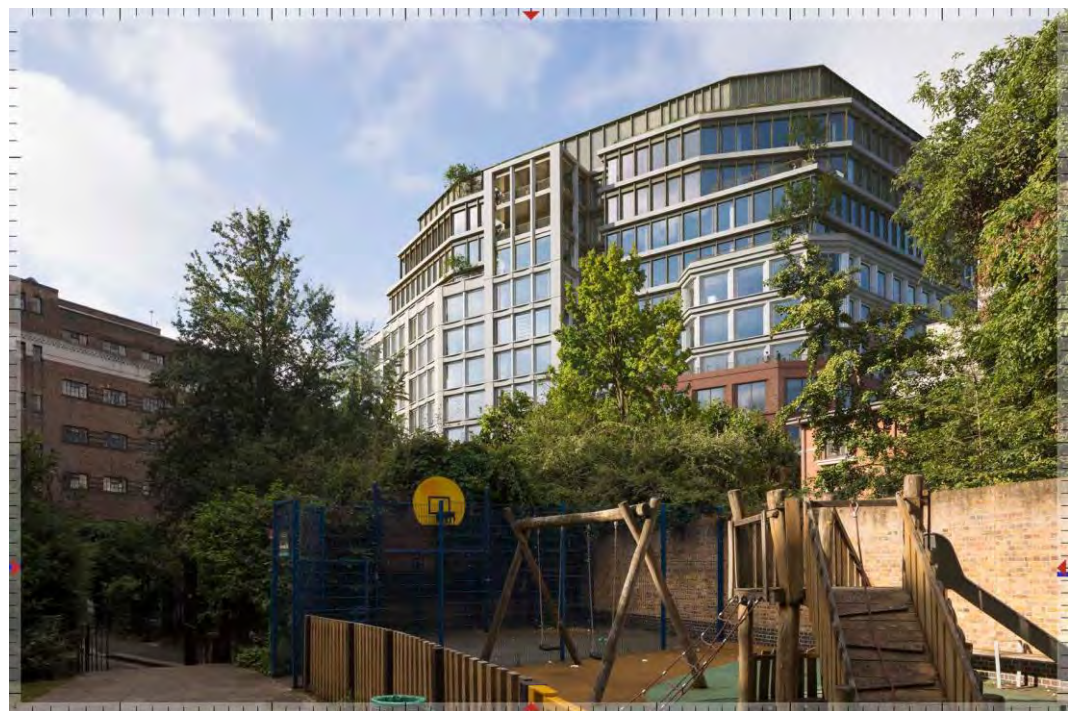


Proposed

View from Phoenix Gardens – existing and proposed



Existing

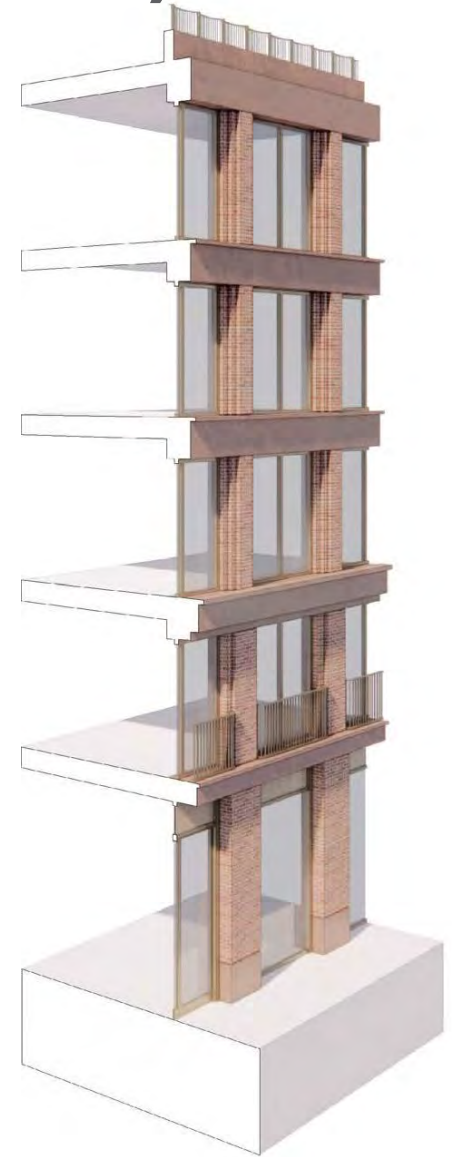
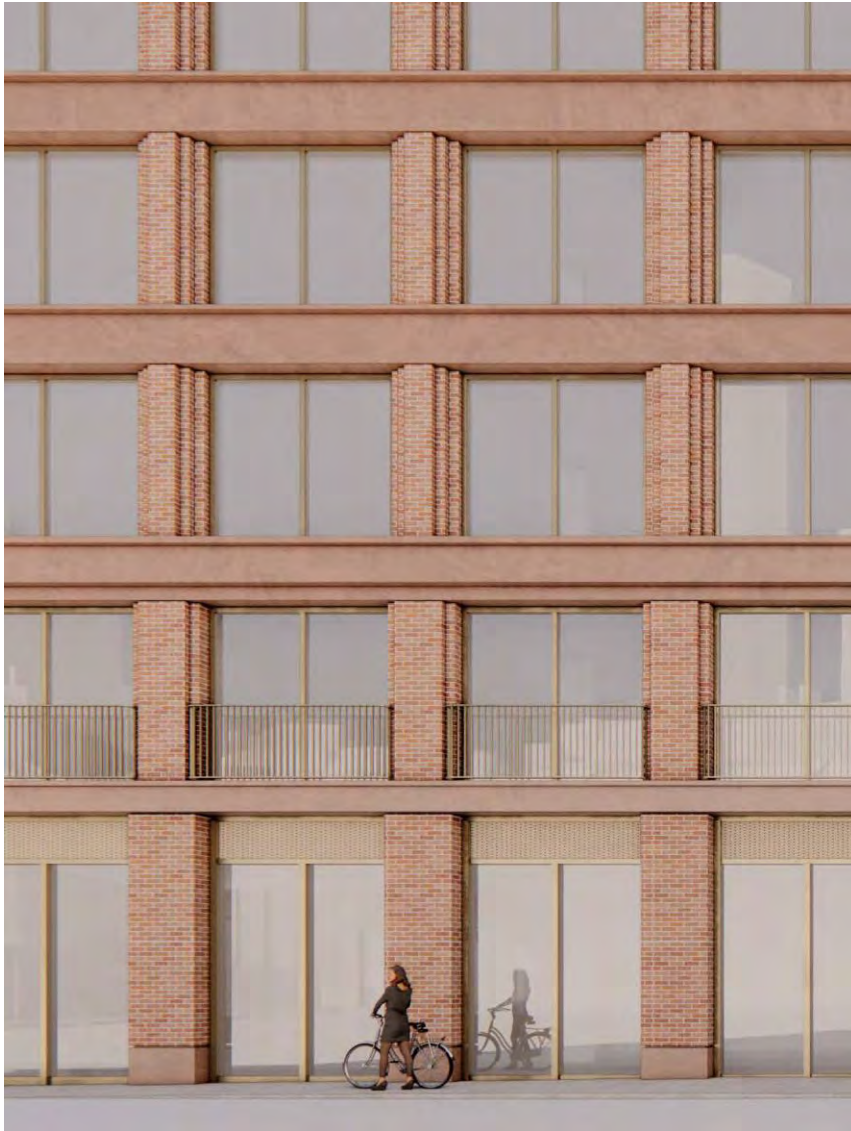


Proposed

View of proposed terrace and loggia



Elevation detail (Stacey Street)



View of proposed through route from Caxton Walk



View of proposed through route from Stacey Street / New Compton Street



View across indicative public realm on Stacey Street

