



22 Mount Ephraim Road, Tunbridge Wells, Kent TN1 1ED Telephone: 01892 552500 Fax: 01892 535526  
Email: [info@durlings.co.uk](mailto:info@durlings.co.uk) Web: [www.durlings.co.uk](http://www.durlings.co.uk)

## Town Centre Office Market Review – Tunbridge Wells



**Prepared by Durlings**

**On behalf of Tunbridge Wells Borough Council**

**February 2018**

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## 1.0 Executive Summary

This Report has been commissioned by Tunbridge Wells Borough Council in order to gain an accurate and up-to-date picture of Royal Tunbridge Wells town centre office market.

The Report makes reference to and comments on the Tunbridge Wells and Sevenoaks Economic Needs Study for the 3 year period from May 2013 produced in 2016 ("ENS"). The preparation of this Report has involved a more detailed analysis of the offices, current planning position and market demand as at January 2018, focusing on the town centre of Royal Tunbridge Wells .

The effect and use of the Permitted Development planning regime (allowing change of use from office to residential without the necessity of a full planning application) is analysed, both in general terms and by reference to every office building in the town centre.

The new Minimum Energy Efficiency Standards ("MEES") legislation and the Building Research Establishment Environmental Assessment Method ("BREEAM") sustainability standards are considered, plus their impact on the existing office stock.

The loss and potential loss of existing office space plus the known and potential gains are explained.

The research for the Report shows:-

- Of the office space existing at May 2013, 22% has been lost through change of use to residential via Permitted Development rights and a further 22% is at risk;
- An additional 11% of space has been created;
- Of the remaining current office space, very little is likely to be available to new occupiers because either it is let to single occupiers on a long term basis, the buildings are non-purpose built or more than 20 years old and have inadequate facilities, and/or the buildings do not or will not meet MEES requirements: whilst demand has remained constant local completed lettings by Durlings are down by 50% from June 2017 to December 2017 as a result of shortage of stock.

## **2.0 Introduction**

### **2.1 Brief from Tunbridge Wells Borough Council**

This Town Centre Office Market Report has been prepared by Durlings on behalf of Tunbridge Wells Borough Council ("TWBC"). The Report draws upon available knowledge to assess and comment on the current Royal Tunbridge Wells Town Centre office market, particularly referring to the effect that Permitted Development Rights, under planning legislation introduced in 2013 and extended in 2016, may have had on the supply of office space ("PD Rights").

The Report assesses the quality of the remaining space, potential opportunities for new space, current availability, and its suitability for future needs. This will assist TWBC in determining whether to use the legislative powers available to it to limit PD Rights under an Article 4 Direction and, at the same time, consider where there may be opportunities in the Town Centre to provide additional space, by change of use, or new development, to meet future requirements.

It is envisaged that the findings of this Report, together with other evidence, will assist TWBC in drawing up the Local Development Plan for the Borough as well as providing detailed allocations and compiling development management policies as part of the preparation of the new Local Plan.

### **2.2 Existing Core Strategy – Planning Policy**

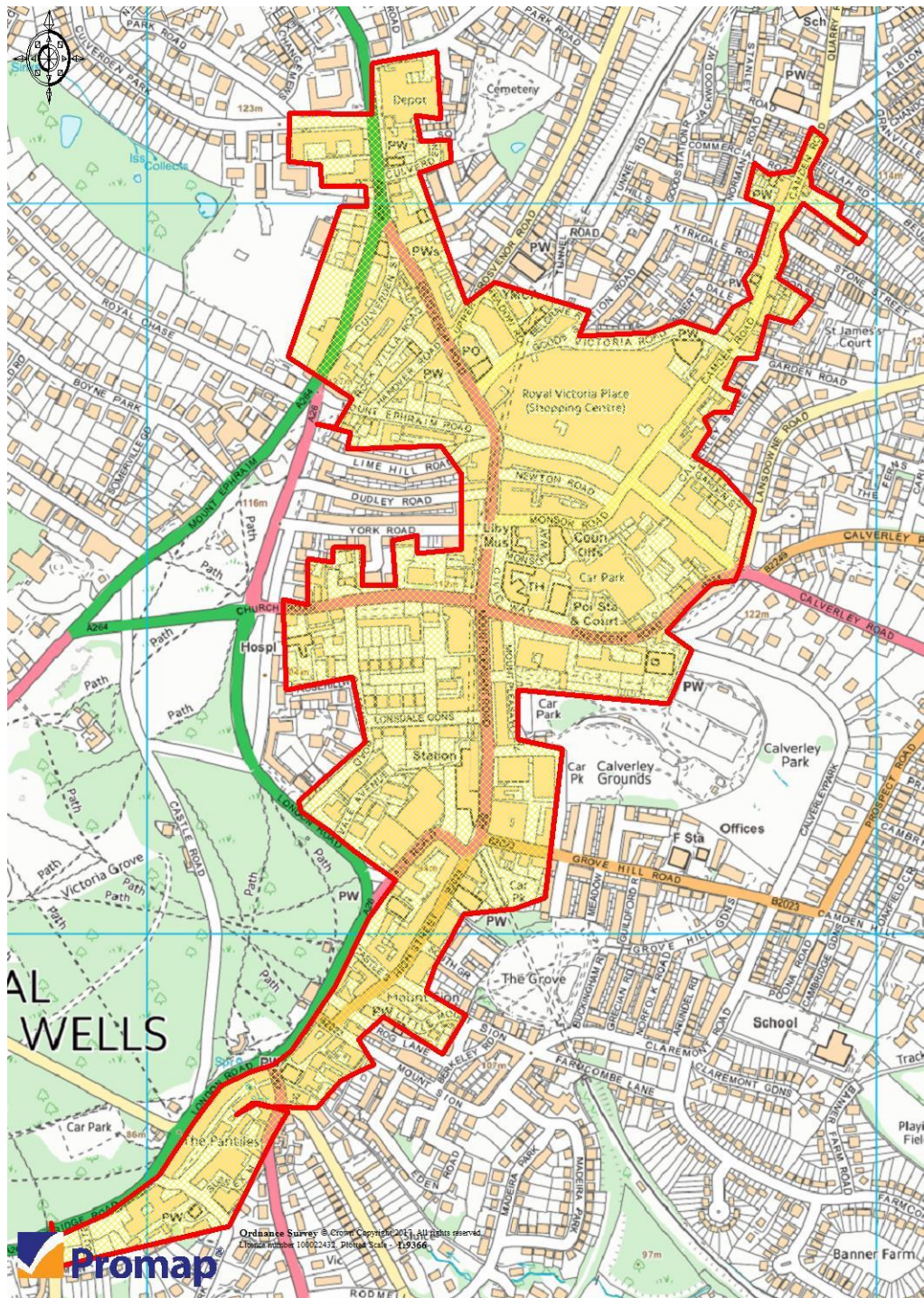
The planning policy in the existing Core Strategy (which will be replaced by the new Local Plan) is an important starting point when considering the current policy in relation to the office market and supply of office space within the Borough. Core Policy 7 of the Core Strategy seeks to maintain the overall net amount of employment floorspace across the Borough, particularly through the retention and encouragement of new floorspace within the existing Key Employment Areas (including Tunbridge Wells Town Centre).

Core Policy 9, which relates to development in Royal Tunbridge Wells, specifically refers to encouraging the increase of B1 office space, principally within the Town Centre, including the development or redevelopment of floorspace for purpose built accommodation.

#### **"Study Area"**

The study area covered by this Report is confined to Royal Tunbridge Wells town centre and specifically comprises the Town Centre Boundary as defined in the Site Allocations Development Plan Document – Royal Tunbridge Wells (Central Area) Proposal Map. This area has been transposed and indicatively illustrated on the map on page 5 ("the Study Area").





Map of Study Area

### 2.3 Sevenoaks and Tunbridge Wells Economic Needs Study August 2016 (“the ENS”)

In preparing this Report reference has been made to the ENS which was produced for TWBC by Turley Economics with Colliers International in 2016. This study specifically identified in the concluding “Enabling Actions” that:

“The following enabling actions are also recommended: A more detailed review of the office market in Royal Tunbridge Wells. This includes a survey of stock and premises availability relative to identified demand/the needs of both existing and prospective occupiers”.

Although the ENS is written at a macro level and its study area is much wider (encompassing the whole Tunbridge Wells Borough) than the one adopted for this Report, there are some relevant findings which will be taken into account, with appropriate responses to the content.

The ENS confirmed that Tunbridge Wells is popular as a business location for professional, scientific and technical businesses, and has a strong base for business start-ups and self-employment. The labour force is highly skilled and growing; however a tendency towards an ageing demographic could ultimately have implications for the level of economic activity in the future.

Commuting patterns of the residents of Tunbridge Wells Borough were sourced from the 2011 Census, and confirmed that over 50% of those working in the Tunbridge Wells borough live in the borough (thus less than 50% commute out of the Borough for work). Although this Report is dealing with the town centre on a micro level, this is an interesting reference to draw upon. In Sevenoaks only 38% live and work in the Sevenoaks District Council boundary. The “London effect” is of interest when comparing the locations of Tunbridge Wells to Sevenoaks, since 19% of the workforce who live in Tunbridge Wells work in London, whereas in Sevenoaks the figure is 43%.

### 2.4 Methodology

The information and data collated in this report has been obtained by a physical inspection of the Study Area and conducting a street level survey in December 2017. From this survey details were collated of the principal office space in Tunbridge Wells in existence as at May 2013 and at the date of this Report.

TWBC have agreed that for the purposes of this study, “**principal office space**” should be **limited only to include all purpose built space and non-purpose built space, providing it is in excess of 5000 sq ft (465 sqm)**. The reason for excluding the non-purpose built stock below 5000 sq ft is that it tends to be ancillary space to retail, and generally lacking in modern amenities required by today’s occupiers and, as such, has less significant impact on the findings.

The relevant floor areas in each qualifying building have been collated by referring to The Valuation Office Agency’s website (business rates). This information was then cross referred to the past and current planning status of each property using TWBC’s planning website.

The basis for measurement is on a net internal basis, being the recognised method of measurement for offices, and as determined by the RICS Code of Measuring Practice 6<sup>th</sup> Edition.

The unit of measurement is square feet (sq ft) as this is still the most commonly referred to in the industry. Generally the larger aggregate figures recorded are rounded to the closest 1000 sq ft to provide broad easily comprehensible numbers.

## **3.0 Tunbridge Wells Town Centre – Existing Office Market**

### **3.1 History of Town Centre Office Development and Access**

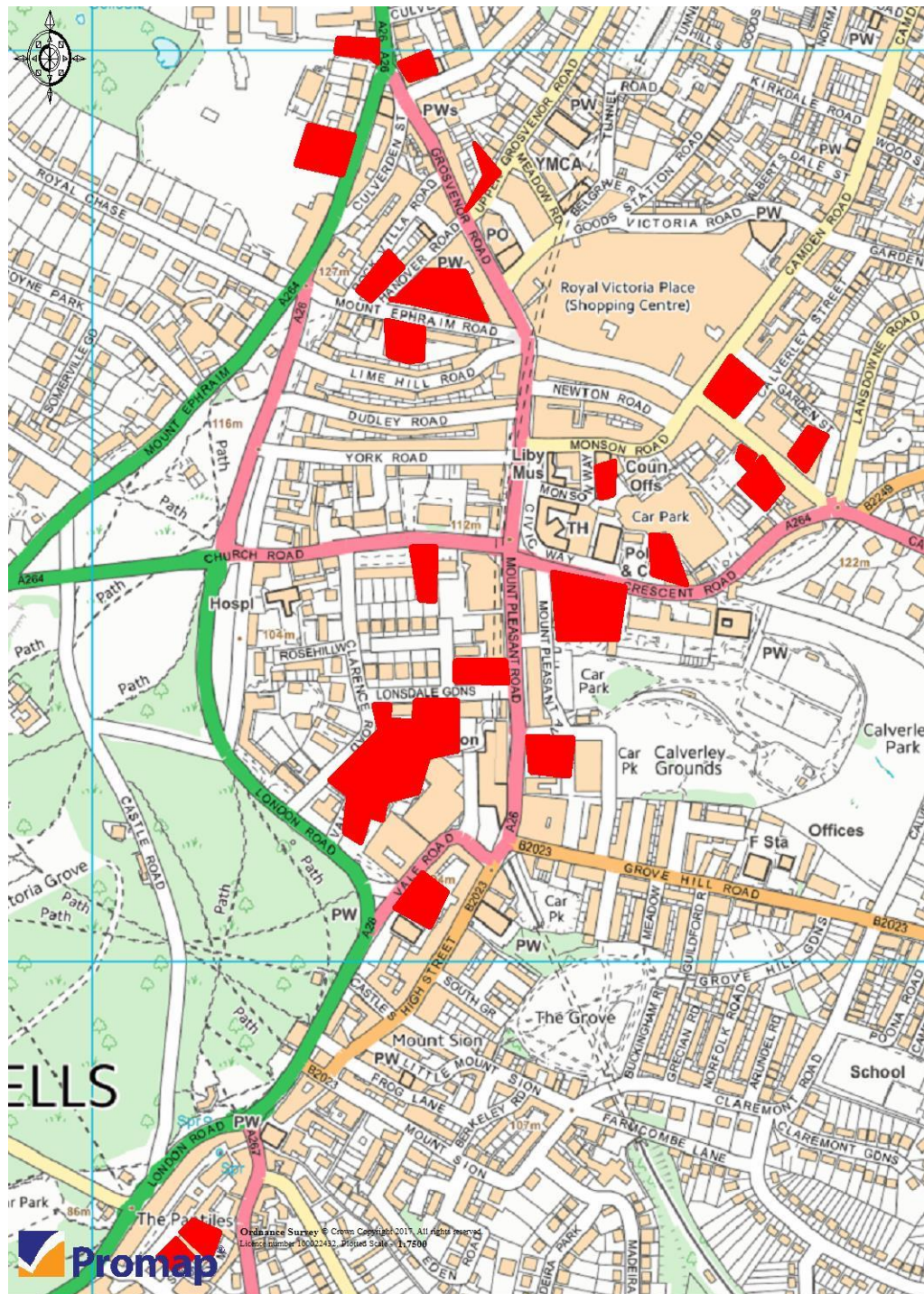
The main driver for the development of office space in Tunbridge Wells, from the 1970`s through to the late 1980`s, was to provide space at a far lower occupational cost than London. This appealed to the larger companies, particularly in the financial sector, with current remaining occupiers including AXA PPP and Reliance Assurance. Previous major employers in the town also included NPI, Allied Dunbar and government organisations such as The Land Registry.

Although Tunbridge Wells has a good direct train service to Charing Cross and Cannon Street, with a typical journey time of around 50 minutes, the road communications remain poor with access to the town centre suffering from congestion, and only by single carriage via the A26 from the north of the town, or via the Pembury Road to the east. Either route is approximately 3 miles from the A21 (T), with junction 5 of the M25 a further 15 miles to the north.

### **3.2 Location of Offices**

A map highlighting the principal office buildings in the Study Area is set out on page 8. These are evenly spread through the town with the furthest buildings still within a 15 minute walk to the mainline train station.





Existing Office Locations Map for the purposes of this study

### **3.3 Comparison with other Towns**

Although viewed as an important commercial centre, Royal Tunbridge Wells cannot be regarded as one of the principal Kent or Sussex business districts when compared to Ashford, Maidstone or Crawley.

The ENS analysed office rents in the largest towns in Kent, and showed rents in 2015 being highest in Sevenoaks, followed by Maidstone, and then, close behind, Royal Tunbridge Wells.

Between 2014 and 2015 Maidstone saw a significant increase in rent, with Royal Tunbridge Wells following as the next biggest increase. Through the recessionary years of 2008 to 2012 rents remained relatively static in most town centres.

The ENS reaffirmed that Royal Tunbridge Wells Town Centre is a Key Employment Area and confirmed that the office market is well established and performing well, assisted by the amenities Royal Tunbridge Wells has to offer along with the fast and regular train service to London, which bolsters demand. It also stated that Royal Tunbridge Wells now competes on a sub-regional basis with Kings Hill.

Despite the statements in ENS about inward investment into the town, and the fact that Cripps (a firm of solicitors with over 250 staff locally) have recently occupied a new building at 22 Mount Ephraim, Royal Tunbridge Wells does not appear to compete well with other centres at the current time; this is because lack of supply has pushed up rents. With a severe shortage of potentially available space as a result of high proportional occupation by individual employers - such as AXA PPP for example - there is a more or less inactive office market and this leads to very sluggish activity. The supply seems to be further reducing at the time of writing this Report. The position is in fact worse than shown in the ENS in terms of the total supply of space recorded, as this now appears to be substantially less and virtually nonexistent in the Study Area, as the figures in Section 4 demonstrate.

### **3.4 Quality of Office Space**

The majority of the purpose built stock is between 25 to 40 years old and falls a long way short of the current BREEAM ratings one would expect with newly built space. This is explained more fully below.

We have recorded that around 80% of the remaining total office space is purpose built (**NB** – non purpose built space below 5000 sq ft is disregarded for the purposes of this Report).

The office sub-market tends to be made up of character period buildings, having been refurbished in an attempt to get close to current office requirements. These buildings, many of which are below the threshold of 5000 sq ft adopted for this Report, are occupied by local “home grown” businesses such as solicitors, accountants, architects, and general professional service companies.

BREEAM is the Building Research Establishment Environmental Assessment Method which is the code of strategic principles created by the world's leading sustainability body, the Building Research Establishment. The code defines an integrated approach to the design, build and management of a building from a sustainability perspective. The BREEAM rating benchmark enables one to compare an individual building's performance with other BREEAM rated buildings and the typical sustainability performance of new non-domestic buildings in the UK. A description of BREEAM rating methods are set out in Appendix III.

With the exception of 22 Mount Ephraim, which achieved a “Very Good” BREEAM rating (3), research for this Report indicates that ALL the remaining current office space will have unclassified BREEAM

ratings. This essentially means that the remaining stock is of the poorest quality in terms of BREEAM assessment, and essentially within the bottom 25% in terms of their performance nationally.

### 3.5 Depletion of and Unavailable Office Stock

On a macro level, throughout the Borough of Tunbridge Wells, the ENS reported a fall in office space based on figures from the Valuation Office Agency and from 2012. The figures in this more detailed Report have been verified thoroughly and are up to date for Royal Tunbridge Wells Town Centre.

The ENS stated a net loss of B1 (a) (office) space of around 43,000 sq ft in the whole borough. This Report confirms a figure nearly 50% greater and is only concerned with the town centre and not the borough as a whole, thus illustrating that there have been significant further losses in recent years

The ENS includes a summary in the “The Existing Stock of Employment Floor Space” section concentrating on office space, as follows:

“Significant losses of B1 (a) floor space have been reported across both areas [Sevenoaks and Tunbridge Wells] in the relative absence of any significant new development of office floor space. Permitted Development Rights for office to residential conversions have exacerbated these losses and are expected to continue to represent a significant threat to the supply of office floor space across the local authorities.”

***Analysis from this Report shows that since May 2013 there has been a net loss of office space in the town centre of over 65,000 sq ft, from a total of approximately 609,000 sq ft***

Of the space already lost over 70% was purpose-built.

With existing unimplemented Permitted Development and Planning Permission approvals a further **114,000 sq ft** of space is at risk of being lost. It is well reported locally that both Calverley House and Vale House are pending redevelopment, whose combined floor areas total approximately **82,000 sq ft**.



**Calverley House**



**Vale House**

100% of the space, potentially to be lost, is purpose-built stock. The impact of the Permitted Development rules is examined in detail in Section 5 of this Report.

With regard to the current office supply today it is important to note that of the approximate **544,000 sq ft** of existing space, 19% is occupied by AXA PPP in 3 buildings (Phillips House, Jubilee House & Priplan House) (as well as further office space that they occupy outside of the Study Area for this report). This group of companies has occupied these buildings for a long period, and so the prospect of space in any of these buildings becoming available to the market in the short term is regarded as being remote.

In addition, those buildings that are also occupied by a single company (102,000 sq ft – 19%) are less likely to offer vacant space, in the mid to long term.

22 Mount Ephraim, constructed on a pre-let basis for Cripps, represents approximately 7% of the above. Cripps have been an important employer in the town for nearly 200 years, and relocated last year from 3 buildings in Mount Ephraim Road to a new purpose-built building in Mount Ephraim, committing to a 20 year lease. This also makes the availability of space in this development remote in the mid to long term. Two of the buildings vacated by Cripps in Mount Ephraim Road, Brooke House and Seymour House are already being converted to residential use. The other two, Wallside House and Windsor House, have been retained as offices.



## 4.0 Office Space Available Currently or in the Future

### 4.1 Scarcity of Available Office Space

The currently available stock of office space is extremely scarce at the date of this Report.

The terms of reference of this Report are to concentrate on purpose built space or non-purpose-built space if in excess of 5000 sq ft. **At the end of 2017 it was not possible to find any advertised space in excess of 5000 sq ft available in the Study Area.**

### 4.2 Advertised space as at January 2018

The only space being actively advertised at the date of this Report is as follows:-

#### **Bayham House, Grosvenor Road**



A purpose-built retail and office building, constructed in 1999. The self-contained first floor offices are currently available to lease. The space extends to 1783 sq ft. The space is open plan and refurbished but has no parking allocation, lift or air conditioning.

Agent: Durlings

#### **Kenwood House, Grosvenor Road**



– Two separate open plan office suites in a purpose built mixed use building constructed during the late 1970's. The ground floor comprises retail units, with a self-contained entrance to the offices which are arranged over 1<sup>st</sup> and 2<sup>nd</sup> floor levels. Each suite is approximately 1265 sq ft. There is allocated parking for 2 cars for each suite, to the rear of the building. There is no air conditioning and the lift has been decommissioned.

Agent: Durlings



### Mount Pleasant Road



– A suite of office rooms totaling 1530 sq ft above retail premises with a self-contained street level entrance. Again there is no parking allocation and the offices are of the most basic office specification, having been converted from non-purpose built space.

Agent: Bracketts

### Linden Close, The Pantiles



– A floor in converted period former stables. There is approximately 1125 sq ft. The amenities are basic and apart from allocated parking for 2 cars, these offices have no modern office specifications.

Agent: Broadlands

### High Street



- Two small office suites above retail premises, with street level self-contained entrances. The offices are 230 and 535 sq ft. Again as these have been formed from period buildings the specification and finishes are basic and limited.

Agent: Bracketts

**The combined total of the office space in the buildings detailed above is less than 8000 sq ft, and within 7 separate buildings. This highlights the severe shortage in supply of office accommodation, without even considering its suitability for modern day business needs.**

#### **4.3. Additional Office Space Available in the Future**

Examples of additional office space which will become available include the extension and redevelopment of **Heathervale House** on Vale Avenue. Planning permission has been granted and is currently under construction.



Heathervale House is estimated to have been originally constructed around the late 1970's or early 1980's. The original building extended to 14,510 sq ft with an excellent parking ratio, with a large proportion being underground. This building is currently being extended vertically which will result in an additional 16,652 sq ft of office space.

There are also two other small gains in The Pantiles. Firstly, the former Masala Restaurant in **Royal Victoria House** has been granted a change of use from restaurant to offices, resulting in a gain of 5560 sq ft. An agreement to lease has been signed with a company which will take occupation after refurbishment works are completed.



Secondly, **The Corn Exchange Retail Arcade** has also been granted planning consent for a change of use to a business centre providing both private and co-working space. This area is approximately 7000 sq ft. No works have yet started.



A more significant new build proposal is under consideration as part of the Mount Pleasant Avenue and Calverley Grounds **Civic Centre Development**. This involves the redevelopment of council owned land to provide a new 1200 seat theatre and an adjoining office building incorporating a civic centre for the council.

The plan is for Tunbridge Wells Borough Council (TWBC) to relocate from the current Town Hall building into a more efficient new office building. It is envisaged at this stage that with TWBC's space requirements there will be surplus office space of around 20,000 sq ft within this development to be available to the open market to lease.



**PLEASE NOTE** that this development has yet to be granted planning consent: more details are given about this project in Section 6.4.

#### **4.4 Inadequacy of Existing Office Space That May Become Available in the Future**

Finally, the current existing office space in the Study Area must be considered. As has already been highlighted, the level of specification and amenities of the current stock and how this compares with newly built space is woefully inadequate: the current space will fall into the lowest 25% of the national office supply in terms of specification and sustainability as determined by BREEAM ratings and therefore below the minimum threshold for formal BREEAM certification.

The following table sets out the principal features of each existing office, and along with the Energy Performance of each building, are factors that potential occupiers are likely to consider as paramount.

A typical tenant would require a lift, air conditioning, parking, energy efficiency, and accessible floors to lay cabling.

## Office Specifications

	P/B	Conv	A/C	O/P	Lift	Parking*	R/F	S/C	D/G	EPC
Vale House, Clarence Road	*			*	*	*				C
Jubilee House, Vale Road	*		*	*	*	*	*	*	*	D
Heathervale House, Vale Avenue	*			*	*	*	*	*		D
Reliance House, Vale Avenue	*		*	*	*	*	*	*	*	D
7 Vale Avenue	*			*				*	*	C
The Great Hall, Mount Pleasant Road		*		*	*	*	*	*	*	C
Priplan House, Crescent Road	*		*	*	*	*	*	*	*	D
Mount Pleasant House	*		*	*	*	*	*	*	*	C
3-5 Lonsdale Gardens	*	*		*	*	*	*	*	*	D/G
11-13 Lonsdale Gardens		*			*					E
Carriage House, Grosvenor Road		*		*	*			*	*	F
Lonsdale Gate, Lonsdale Gardens	*			*	*	*	*	*	*	N/A
Phillips House, Crescent Road	*		*	*	*	*	*	*	*	C
Wellington Gate, Church Road	*		*	*	*		*	*	*	E
Oxford House, Mount Ephraim Road		*			*					E
Longford House, Mount Ephraim Road	*	*		*	*			*		D
Monson House, Monson Way	*			*	*	*	*	*	*	N/A
Calverley House, Calverley Road	*		*	*	*		*	*	*	E
Cadogan House, Calverley Road	*		*	*	*	*	*	*	*	C
Hargreaves House, Calverley Road	*			*		*		*		D
Bank House, Calverley Road		*				*		*		F
Westcombe House, Mount Ephraim	*		*	*	*	*	*	*	*	E
22 Mount Ephraim	*		*	*	*	*	*	*	*	A
Windsor House, Mount Ephraim Road		*		*	*	*	*	*	*	B
Wallside House, Mount Ephraim Road	*			*	*	*	*	*	*	D
Napier House, Mount Ephraim Road		*			*	*				N/A
Montague House, Hanover Road	*			*	*	*	*	*	*	N/A
20 Mount Ephraim Road		*				*				E
Kenwood House, Grosvenor Road	*			*				*		C
Royal Victoria House, The Pantiles		*			*					D
Corn Exchange Arcade, The Pantiles		*								E
Foundation House, Coach & Horses Passage	*			*	*		*	*	*	C
Dowding House, Coach & Horses Passage	*			*	*		*	*	*	C
Eridge House, Coach & Horses Passage	*			*	*		*	*	*	C

**Key:**

P/B – purpose built  
 Conv. – Conversion  
 A/C – Air Conditioning  
 O/P – Open Plan  
 Lift – Passenger Lift

Parking\* – Ratio of 1:500 sq ft or less.

S/C – Suspended Ceilings

D/G – Double Glazed Windows

EPC – Energy Performance Certificate Rating

N/A – Not available

R/F – Raised Floor

#### **4.5 Impact of Minimum Energy Efficiency Standards (MEES)**

The MEES (Minimum Energy Performance Standards) Regulations will make it unlawful from 1 April 2018 to let buildings in England and Wales which do not achieve a minimum Energy Performance Certificate ("EPC") rating of E. This will apply initially to new lettings and renewals only, but from April 2023 will apply to all existing leases as well.

EPC calculations are linked to building regulations: therefore as regulations get tougher, so does the ability to achieve a decent rating – this effectively makes MEES a moving target. Many have suggested that EPCs produced pre-2011, if remodeled now, could be as much as two ratings lower. If correct, this could potentially mean that in excess of 30% of building stock in England and Wales is at risk of breaching the 2018 MEES regulations. The cost of building and refurbishment work required to bring an office up to the minimum standard may well not be viable for landlords.

It is also not clear what the future trajectory will be for the minimum standards, although it is quite possible that these will be raised before 2023. This makes refurbishment planning challenging for landlords, who generally work on 10 year cycles.

It can be seen from the Office Specification table on the previous page that there are two buildings that already will not pass the MEES from 2018, as they have been classified as having an F rating: Bank House and Carriage House (totaling 23,000 sq ft).



Bank House, Calverley Road



Carriage House, Grosvenor Road

Those with an E rating and potentially at risk from 2023 include: -

- 11 – 13 Lonsdale Gardens,
- Wellington Gate,
- Oxford House,
- Calverley House,
- Westcombe House,
- 20 Mount Ephraim Road
- The Corn Exchange
- Vale House\*

The aggregate total of these buildings is approximately 60,000 sq ft\*

\*- excludes Vale House as this property is pending development



Considerable sums, in varying degrees, would need to be spent before 2023 to allow these buildings to continue in office use.

## **5.0 Effects of Permitted Development Rights**

### **5.1 What are the Rules for Permitted Development Rights?**

Permitted Development Rights ("PD Rights") have authorised the change of use of certain office buildings to residential without the need for full Planning Permission.

A change of use is not automatic; it is necessary to get clearance from the Local Authority that such change will not cause significant highways or transport issues, contamination risk or flood risk. From April 2016, a noise impact assessment must also be submitted. This clearance procedure is known as "Prior Approval". If it is not obtained then the PD Rights can be withheld.

Local Authorities had until 22 February 2013 to apply to the Secretary of State for an exemption from the new PD Rights. Exemption was only allowed if the Local Authority could demonstrate "substantial adverse economic consequence at a local authority level". TWBC applied for exemptions in respect of Vale Avenue and 77 Mount Ephraim (the application letter is included in Appendix VI). The application was unsuccessful as, at the time, it was not possible to evidence the absolute need to retain that office space. Had it been possible to apply for the exemption in 2017, the outcome may well have been different.

### **5.2 Permitted Development – Class J**

With effect from 30<sup>th</sup> May 2013 the Town and Country Planning (General Permitted Development) Order 1995 (GPDO 1995) was amended allowing the change of use of certain buildings without the requirement for a formal planning application. The change of use of office space to residential use was covered under Class J of this statutory instrument.

The relevant provisions stated:-

#### **Permitted development**

**J.** Development consisting of a change of use of a building and any land within its curtilage to a use falling within Class C3 (dwelling houses) ..... from a use falling within B1 (a) (offices) .....

#### **Development not permitted**

**J.1** Development is not permitted by Class J where –

- (a) the building is on article 1 (6A) land\*;
- (b) the building was not used for a use within B1 (a) (offices) ..... immediately before 30<sup>th</sup> May 2013 or, if the building was not in use immediately before that date, when it was last in use;
- (c) the use of the building falling within Class C3 (dwelling houses) ..... was begun after 30<sup>th</sup> May 2016;
- (d) the site is or forms part of a safety hazard area;
- (e) the site is or forms part of a military explosives storage area;
- (f) the building is a listed building or scheduled monument.

## Conditions

**J.2** Class J development is permitted subject to the conditions that before beginning the development, the developer shall apply to the local planning authority for a determination as to whether the prior approval of the authority will be required as to –

- (a) transport and highways impacts of the development;
- (b) contamination risks on the site; and
- (c) flooding risks on the site.

And the provision of paragraph N\*\* shall apply in relation to any such application”.

\* article 1 (6A) land, is a particular area of land under the control of a local authority and in respect of which the authority has successfully applied for an exemption as described in Section 5.1

\*\* paragraph N – This is reference to what the relevant local authority requires to accompany the application and general procedural advice.

## 5.3 Permitted Development – Class O

On 15th April 2015, the Town and Country Planning (General Permitted Development) Order 1995 as amended was revoked and replaced with Town and Country Planning (General Permitted Development) (England) Order 2015 (“GPDO 2015”). The GPDO 2015 includes the same provisions for change of use from office to residential, but this now comes under Class O (rather than Class J).

On 6th April 2016, new legislation came into force **making the PD Rights permanent** by removing the condition requiring completion of the development by 30<sup>th</sup> May 2016. This Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2016 (“GPDO 2016”) also imposes a new requirement of a noise assessment impact of neighbouring commercial premises on the future occupiers of the potential residential development.

## 5.4 Consequences of the Change in Permitted Development Rights

The effect of these changes means that if an owner was granted Prior Approval under Class J for their property under the GPDO 1995 which has since been revoked, he cannot benefit from the changes contained within the new GPDO 2016, as this only amends the GPDO 2015 and **NOT** the GPDO 1995. So if he did not complete the development and start using the building as a dwelling by 30 May 2016, then the PD Rights will have expired.

So in terms of the local authorities’ powers to resist further loss of office space, it would appear that Prior Approval will have lapsed for those properties that were granted Prior Approval before 15th April 2015 but have not undertaken the conversion to residential. From our data collection we have calculated that this applies to around 36,000 sq ft of space.

Those property owners can still apply for Prior Approval under Part O, and may achieve the same outcome. However Local Planning Authorities must now take into account the noise assessment, and this may well impact the nature of the terms of the Prior Approval.

## 5.5 Impact of Change of Use Regulations on Available Office Space

From the data collated on the office space available as at May 2013 to present, there has been P D Right Prior Approval, under Part J and Part O, on nearly 243,000 sq ft. There was only a further 6,500 sq ft of space granted consent for a change of use to residential by the traditional planning process. This

particular building, Castle House on London Road (below), is in fact listed and as such PD Rights are excluded.



Castle House

This demonstrates that all owners seeking change of use from office to residential have exploited the PD route if it has been open to them.

Appendix I comprises a table giving details of all the offices in the Study Area and showing which have applied for Prior Approval, whether it has been implemented and other planning consents.

From this data, it is clear this amendment to the planning system, originally designed to unlock brownfield sites and increase housing stock, has been used very effectively in the Study Area by developers. As already highlighted there is approximately **150,000 sq ft** of office space that has been granted Prior Approval during the study period, under Part J and Part O, which has yet to be implemented. However Prior Approval is only effective on 98,000 sq ft of that office space, due to amendments to PD Rights since 15<sup>th</sup> April 2015, and includes 16,000 sq ft which has subsequently been granted change of use through the traditional planning process.

Based on enquiries for this Report, there is a clear intention to develop Calverley House on Calverley Road, and Vale House on Clarence Road. These two buildings total over 82,000 sq ft, around 55% of the unimplemented total.

It does make perfectly good asset management sense for a landlord to obtain Prior Approval for their building, even if they have no immediate intention to develop by a change of use: a poorly performing office building can have its value enhanced or underpinned with an approval for a change of use to residential, and this will have the obvious benefit to say a property investment company in terms of share value and ability to achieve higher lending ratios.

## **5.6 Use of Article 4 Direction**

TWBC does have the power under the Town and Country Planning (General Permitted Development) (England) Order 2015 effectively to suspend specific permitted development rights for a particular locality. It cannot currently use this power to prevent permitted development which already has Prior Approval, although this protection expires after 3 years.

**An Article 4 Direction will not prohibit the change of use of an office building to residential: it will simply ensure that a full planning permission must be sought.**

The power to issue an Article 4 Direction can only be exercised in exceptional circumstances where the implementation of PD Rights would otherwise harm local amenity or the proper planning of an area

Notwithstanding the fact that lengthy consultation is involved and a year's delay in implementation required if compensation claims are to be avoided\*, it is strongly recommended that TWBC considers implementing an Article 4 Direction on the basis of the findings of the ENS and in this Report. Advice should be sought from a planning expert as to whether these findings would constitute the necessary exceptional circumstances.

\*applicants can claim compensation for the cost of having to make a full planning application within 12 months of "losing" their PD Rights

#### **5.7      Report on Radio 4 Today Programmed on 18<sup>th</sup> January 2018**

It was reported on the Radio 4 Today programme that the Local Government Association are calling for the permitted development scheme to be scrapped as the government policy to solve the housing crisis in England and Wales by converting office to homes is backfiring. The Association argues that the scheme is stripping the life out of cities, and in many places more than half of all new homes are being provided through office conversion. In some places offices have long lain vacant, but in others Councils report that businesses are actually being evicted because new flats are more profitable.

## 6.0 Local Planning Context: Obligation to Retain and Encourage New Employment Floorspace

### 6.1 Tunbridge Wells Borough Core Strategy (June 2010)

The ENS summarised the relevant policy of the Core Strategy as follows:

“Core Policy 7 seeks to maintain the existing net supply of employment floor space within the borough over the plan period. There is within the Core Strategy, an acknowledgement that further regional evidence could require a review of this position. The Core Strategy designates the strategic Key Employment Areas, which are **areas identified for the retention and encouragement of new employment floor space** and broadly reflects the previously designated Economic Development Areas, with the addition of Royal Tunbridge Wells Town Centre.”

These areas are:

- Royal Tunbridge Wells Town Centre
- North Farms / Longfield Road industrial area, Royal Tunbridge Wells;
- High Brooms Industrial Park, Southborough;
- Eldon Way and west of Maidstone Road, Paddock Wood;
- Transfesa Road east and west, Paddock Wood;
- Former Hawk Hurst Railway Station, Gills Green; and
- Brook Farm, Capel.

It is significant that Royal Tunbridge Wells Town Centre (the Study Area of this Report) is added to the areas within the Borough considered to be Key Employment Areas. There is now an obligation on TWBC to consider how to retain and encourage new employment floorspace in light of this policy

### 6.2 The Tunbridge Wells Borough Council Site Allocations Local Plan

The TWBC Site Allocations Local Plan (“SALP”) was adopted in July 2016 and supercedes the 2006 Local Plan allocation policies.

The SALP provides for three “Areas of Change” which have been identified as sites which are ready for refurbishment, change of use or redevelopment. In the town centre these are

- Crescent Road (Policy AL/RTW2A: Civic Complex/Crescent Road Area of Change)
- Church Road (Policy AL/RTW2B: Former Cinema Site)
- Vale Avenue (Policy AL/RTW3: Vale Avenue Area of Change)

The Plan states that the Council will seek to maintain the existing level of B1 (office) use within the Areas of Change. Section 6 of TWBC Five Year Plan 2014 – 2019 sets out the Council’s aims for attracting more employment opportunities including an increase in modern B1 office space and this aim is reflected in the policy requirements of the Area of Change policies.



The SALP allocates in Royal Tunbridge Wells Town Centre the following sites for mixed use development including new B1 office space in varying degrees of priority in each relevant policy:

- Civic Complex and Crescent Road Area of Change (Policy AL/RTW2A)
- Former Cinema Site Area of Change (Policy AL/RTW2B)
- Vale Avenue Area of Change (Policy AL/RTW3)
- Eridge Road and Land at Montacute Gardens (Policy AL/RTW4)

In The Vale Avenue Area of Change one significant office building, Mervale House (the former County Court), has lost its office use and is being converted into a hotel. Union House, part of the Eridge Road development, also involves the loss of significant office space (approximately 50,000 sq ft) with replacement of only 9000 sq ft of commercial space.

The following two sites are designated for “Employment Development”:

- 77 Mount Ephraim (Sturge House, Brockbourne House) (Policy AL/RTW20) – B1 office use or A2 professional services preferred use, but hotel, light industrial and non-residential institutional also considered
- Mount Pleasant Avenue Car Park (Policy AL/RTW21) – B1 office use or A2 professional services use only

The only site designated by the SALP for “Mixed Use Development” which includes B1 office space is the site of Lifestyle Ford, Mount Ephraim/Culverden Street/Rock Villa Road (Policy AL/RTW22). The allocation does not specify the amount of office space required.

It is crucial that TWBC consider any future application for planning permission for each of these sites in the light of the obligation to maintain the volume of office space and, if possible, increase the availability of modern office space.

### **6.3 Retaining Employment Floorspace**

This Report has already highlighted the potential for loss of office space with unimplemented planning approval for change of use to residential, with an estimated loss in the Study Area of 150,000 sq ft.

With the current legislation on PD Rights remaining in force, it is necessary to look at the existing stock of office space where Prior Approval has yet to be sought in order to see if it is possible for it to be retained.

Another important aspect to consider are the instances where PD Rights will be excluded. For those buildings in the Study Area, the principal exclusion will be if the building is listed.

The following buildings are listed:

- Bank House, Calverley Road
- 18 Mount Ephraim Road
- 20 Mount Ephraim Road
- Royal Victoria House, The Pantiles
- The Corn Exchange, The Pantiles

These buildings provide a total of approximately **39,000 sq ft**.

Although there is a clear opportunity to retain these buildings in office use, one of the buildings (Bank House), doesn't reach MEES. Two others, 20 Mount Ephraim Road and The Corn Exchange have EPC ratings of E, and are likely to be at risk in 2023. None of these buildings are purpose built.

It will however be a landlord or occupier's liability to improve these buildings in order they reach the current MEES.

The other office buildings which enjoy PD Rights but for which Prior Approval has not been sought (these are identified in the list in Appendix 1) should be carefully considered when TWBC examines whether there are the necessary exceptional circumstances to justify issuing an Article 4 Direction to suspend PD Rights, as described in Section 5.6.

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### **6.4 Encouraging New Employment Space: the Opportunities**

The following sites have been identified as having the potential to provide new office space:

#### **Civic Centre Development Project – Calverley Grounds / Mount Pleasant Avenue**

This is a TWBC initiative to develop land in their ownership to create new offices, partly for their own occupation and also to create 20,000 sq ft of new space to the market, and thus freeing up the current Town Hall for redevelopment/conversion.

Although this proposal received a unanimous vote from members of TWBC to progress with the proposals on the 6<sup>th</sup> December 2017, the planning process is now in its earliest stages and therefore there is no immediate provision of offices. Should planning approval be given, it is envisaged a 3 year construction timescale will be required.

### **New Theatre - Calverley Grounds / Mount Pleasant Avenue**

This is part of the Civic Centre Development Project. The new theatre will replace the existing Assembly Hall with a modern offering. Again, this may then free up the existing theatre for future redevelopment/conversion.

Due to theatre hours generally being in the evening, we feel there is an opportunity to create a co-working concept, incorporated into the public spaces, and thus satisfying the town's demand for flexible office / work space in the town centre. The tables and chairs in the public spaces, should the infrastructure be put in place, could be used during normal working hours by people who wish to work flexibly.

### **The Town Hall**

There are clearly redevelopment opportunities for this building and TWBC will have the opportunity to influence the use mix to include an appropriate proportion of fit for purpose office space.

However as the availability of this site is linked to the Civic Centre Development Project, then the time scale will be at least 3-5 years before any development might take place. In the short term, consideration could be given to letting out surplus accommodation to small employers before redevelopment begins.



### **Union House Development (Dandara), The Pantiles (identified as Eridge Road in the SALP)**

This development has now commenced with demolition of the existing offices soon to be completed.

The new development provides for a number of apartments with over 9000 sq ft of commercial space on the ground floor. Although the planning consent appears to allow a wide range of commercial uses it is possible that, with improving rents in the office sector, this may be of interest to office occupiers and thus provide a neighboring use which will be advantageous to the apartments, and thus attractive to the developer.

### **Torrington Car Park, Vale Avenue**

This building is situated in the "Vale Avenue Area of Change" as defined in the SALP. The location is excellent in terms of its proximity to the train station. No detail is available on the size of the building or the number of car spaces it provides. There may be an opportunity to redevelop this building, whilst retaining a sufficient number of car spaces. A more detailed appraisal will be required in due course.

### **Cinema Site, Mount Pleasant Road**

This site now has full planning approval for a mixed-use scheme predominately comprising retail and residential uses and including restaurants and a cinema. There is also consent for around 3500 sq ft of floor space to be either used as a medical centre (D1 use) or B1 offices. Therefore although there is an opportunity for more office space the market will determine which type of use the developer ultimate leases to.

### **Auction House and Car Park, Linden Park Road**

The freehold of this site is held by TWBC and there is a long lease to Lower Pantiles LLP with a sub under lease back to TWBC for the car parking spaces. The site is allocated in the SALP for mixed use development including employment, health related uses, hotel, residential and retail, but not expressly including B1 office space. This allocation does, however, require for the existing car spaces to be retained on site or provided close by.

Although there were further opportunities for office space in the future, the following sites in the Study Area have been deemed, through the SALP adoption process, as suitable for residential only, namely

- **Homeopathic Hospital, Church Road**
- **Former Tunbridge Wells Bus Depot, St Johns Road.**

Nevertheless, there may have been opportunities for mixed use development, incorporating office space.

The SALP identified the site of **Lifestyle Ford, St Johns Road/Culverden Street/ Rock Villa Road** as a mixed use development but only a minimal amount of office space has been included in the planning permission granted. We believe there was an opportunity to allocate a far higher proportion of office space.

## 7.0 Impact of wider office market beyond Tunbridge Wells Town Centre

The map below illustrates the approximate aggregate sq ft currently available in the competing centres in a 3 mile, 5 mile, 10 mile and 15 mile radius.



Key:

0 mile radius –	7700 sq ft - Tunbridge Wells Town Centre
3 miles radius –	19200, 9 sq ft - Tunbridge Wells / Pembury
5 mile radius –	32150 sq ft – Tonbridge
10 miles radius –	41150 sq ft - Crowborough
15 miles plus –	263650 sq ft – East Grinstead, Sevenoaks, Sundridge, Kings Hill, West Malling and Maidstone

The above map illustrates the fact that the A21 corridor towns such as Sevenoaks, Tonbridge and Tunbridge Wells all have limited supply. The vast majority of currently available space is in Maidstone and Kings Hill, with the latter offering modern, well-specified space with excellent parking provision in a business park location.

The conclusion from this analysis is that there is a significant danger that if there is no suitable available office space in the Study Area, particularly for larger employers, and where MEES requirements are an issue, then relocation out of Royal Tunbridge Wells will be a necessity unless sites outside the Study Area, for example on North Farms industrial estate, are considered.



A review of published reports on the office market nationally has been included in the preparation of this Report. Unfortunately there are few statistically driven reports available, with much of the available literature focusing on the impact of Permitted Development Rights. There have been several articles in the local press but these do not deal in any detail with the subject matter of this Report.

A list of the relevant reports and articles is set out in Appendix VI

## **8.0 Analysis of Existing and Future Demand for Office Space**

### **8.1 Nature of Employment in the Study Area**

In preparing the ENS, Turleys and Colliers Intentional held workshops in both Sevenoaks and Tunbridge Wells to try and understand businesses' and stakeholders' views, in an attempt to understand their current and potential future needs. A number of common themes and issues emerged from these workshops:

- Tunbridge Wells is an attractive business location
- Varied opportunities for growth
- The significance of the rural economy
- Lack of land and premises availability
- Inadequate transport infrastructure and congestion
- Inadequate digital connectivity in rural areas
- Skills requirements and gaps need to be addressed

The ENS found that the health, care and retail sectors accounted for the greatest number of jobs in Tunbridge Wells, although the proportionate representations of these sectors is forecast to decline over the period to 2033. Professional services were predicted to grow and to account for around 10% of all jobs in the borough by 2033.

When considering the Study Area alone the percentage of professional services employment is expected to be far greater than 10% since there will be a greater concentration of professional businesses in a town centre location.

The ENS also concluded that education, finance, real estate and construction are expected to play a greater role in the local economy.

### **8.2 New Office Space**

The ENS report records data on newly completed floor space in Tunbridge Wells Borough, from 2009/10 – 2014/15. The newly completed floor space is broken down into three categories: (1) Change of Use, (2) New Build / Redevelopment and (3) Extension / other. For office space in the borough of Tunbridge Wells the total over this period was recorded as over 55,000 sq ft, on average approximately 14,000 sq ft per annum. Of this around 70% was through "Change of Use".

This Report has recorded over 67,000 sq ft over the period from May 2013 to January 2018, and although this equates a very similar average / per annum figure, it must be noted that this concerns the town centre Study Area only and not the entire borough. Although this is encouraging the figures are bolstered by the construction of 22 Mount Ephraim (38,180 sq ft) – completed in November 2016, and the current extension / redevelopment of Heathervale House (16,652 sq ft). These two buildings represent over 80% of the total of new space over this period, with the balance being changes of use of existing non-purpose-built properties.

### **8.3 Can Supply Meet Demand?**

The ENS report reviewed the land supply position and attempted to estimate what area of land would be required throughout the borough to meet demand. This demand is sustained in the Key Employment Areas because of their popularity - this is manifested in high occupancy levels.

The ENS estimates what allowances should be made for office space:

*“For B1a/b offices an allowance of 673 sq m (7244 sq ft) per annum is assumed. This is based on 25% of the average annual loss of office floor space over the last 7 years and would equate to 13,460 sq m (144,883 sq ft), Or 0.9ha (2.2 acres) of land, over a 20 year period, increasing to 1.1 ha (2.7 acres) over the period from 2013-2035. This is considered appropriate given recent losses of office floor space arising due to Permitted Development Rights and is comparable to the current pipeline of losses known to the Council in 2014/15, but which have yet to be started. In addition to the above, the vacancy rate within the existing stock of office floor space is 3.8%. This is comparatively low, with a rate of 10% normally being required to ensure there is sufficient headroom in the supply and to support the healthy operation of the market”.*

However it is clear from the research undertaken for this Report that there is a very limited supply of space, let alone suitable space, and any demand is only being partially met.

22 Mount Ephraim was essentially “built to order” with Cripps taking a pre-let on the building. The extension and redevelopment of Heathervale House is encouraging, but it is not known if this is again “built to order” or is a speculative scheme.

Otherwise the other office space gains are by change of use, and because of the nature of the buildings, both being period and listed, the usual limitations apply, including no parking provision for either.

Durlings is one of three local commercial property agency firms active in the office market within the Study Area. The data from its practice points to a more pessimistic conclusion about the failure of current supply of office space to meet demand.

At January 2018 Durlings has 265 companies or individuals registered and seeking office space. Of these, 138 are seeking space up to 1000 sq ft (52%). Around 90% are seeking space up to 10,000 sq ft. For space requirements over 20,000 sq ft there are 13 companies registered (5%).

Durlings has analysed the take up of space by calculating new letting through this firm alone over the study period. The broad figures are as follows.

Period	Sq Ft
01/06/2013 - 30/05/2014	15,000
01/06/2014 – 30/05/2015	23,000
01/06/2015 – 30/05/2016	16,000
01/06/2016 – 30/05/2017	15,000
01/06/2017 – Present – 01/18	5,000

From this data there appears to be a typical take up of between 15,000 -16,000 sq ft per annum, with a greater take up (increase of 30%) recorded between June 2014 and the end of May 2015 of 23,000 sq ft.

What is interesting is that the approximate half year calculation from June 2017 to present is about 50% of a typical year, which effectively reflects the lack of available space.

The figures for the total take up of office space in the Study Area over the study period are not available, but as there are two other agents actively involved in letting offices, it therefore might not be unreasonable to apply a multiplier of 3 to Durlings' figures.

With local business growth being hampered, and new companies deterred from relocating to the area, due to lack of suitable office space opportunities, it is not unreasonable to conclude that Royal Tunbridge Wells is being hampered in realising its full economic potential.

## 9.0 Conclusion

### Analysis of change in available office space

For the period between May 2013 and January 2018

	<u>sq ft</u>	<u>% of total (May 2013)</u>
Total Office Space – May 2013	609,000	
Actual PD rights implemented loss of office space	133,000	22
Potential further loss (J only)	36,000	6
Potential further loss (O only) –post 15/04/15	98,000	16
Potential loss through consent for change of use	16,000	2.5
Office Space gain	67,000	11
Net Loss of Office Space	65,000	10.5

The following conclusions are reached from the assessment of the current office market in the Study Area:-

- (i) The market comprises mainly old stock, either purpose built more than 20 years ago or non-purpose built. The only completed new stock was built for a specific user on a pre-let basis and therefore will not be available to the market in the short to mid term.
- (ii) Much of the existing stock is unlikely to become available because either it (a) is occupied by a single employer, (b) has Prior Approval for development to residential use under the Permitted Development legislation or (c) will not meet MEES and may not justify the expenditure to bring it up to standard.
- (iii) PD Rights have had a very significant impact: 22% of offices existing in May 2013 have already been converted to residential use and a further 22% could be lost if Prior Approval consents are implemented.
- (iv) As at January 2018 there is less than 8000 sq ft of offices in 7 separate buildings available for letting. Much of this space has no modern facilities or parking and is extremely limited
- (v) The only known potential opportunities open to TWBC to replace lost office space with new are (a) the new Civic Centre Development, (b) the redevelopment of the Town Hall ,and (c) the development in the Vale Avenue Area of Change.
- (vi) TWBC should consider all other land and buildings in the TWBC's control for office development, or short term office use, whether within or outside the Study Area.
- (vii) Although outside the Study Area, 77 Mount Ephraim and the recommendation of the ENS to look at the North Farm industrial Estate/A21 corridor should be assessed for viability of new office development.

**Appendix I – Office Schedule - Floor Areas, PD Approvals & Planning Consents**

B1 Floorspace Overview - (May 2013-Present)										
<u>Address</u>	<u>Existing Stock (Sq ft)</u>	<u>PD Resi not Implemented - Part J (Sq ft)</u>	<u>PD Resi not Implemented - Potential Loss from Part O (Sq ft)</u>	<u>PP Resi not Implemented - Potential Loss (Sq ft)</u>	<u>PD Resi, then PP not Implemented (Sq ft)</u>	<u>PD Resi Implemented - (Sq ft)</u>	<u>PP Resi Implemented (Sq ft)</u>	<u>PD Resi, then PP Implemented (Sq ft)</u>	<u>Loss of space - non-residential (Sq ft)</u>	<u>B1 Gain</u>
Merevale House, 42-46 London Road									18,127	
Vale House, Clarence Road			16,158							
Jubilee House, Vale Road	25,392									
Heathervale House, 2-4 Vale Avenue	14,510									16,652
Reliance House, 6 Vale Avenue	13,821									
7 Vale Avenue	5,066									
The Great Hall, Mount Pleasant Road	12,824									
Pipplan House, 11-12 Crescent Road	16,806									
Mount Pleasant House, 2 Lonsdale Gardens	16,458									
3-5 Lonsdale Gardens	15,166									
7-9 Lonsdale Gardens						11,000				
11-13 Lonsdale Gardens	7,146									
Carriage House, Grosvenor Road	14,042									
Castle House, 27 London Road										
Lonsdale Gate, Lonsdale Gardens			9,629				6,454			
Phillips House, Crescent Road	60,757									
Wellington Gate, 7 Church Road		19,214								
Seymour and Brooke House, 3-13 Mount Ephraim Road						20,304				
Oxford House, 15-17 Mount Ephraim Road	6,352									
Longford House, 19 Mount Ephraim Road	22,941									
Monson House, Monson Way	17,556									
Calverley House, 55 Calverley Road			66,034							
Cadogan House, 84 Calverley Road	8,826									
Hargreaves House, 86-92 Calverley Road		7,650								
Bank House, 22-24 Garden Street	8,852				15,625					
Westcombe House, 2-4 Mount Ephraim										
22 Mount Ephraim										38,180
Northfields, 20-26 St John's Road										
Windsor House, 6-10 Mount Ephraim Road		8,680				16,720				
Walside House, 12 Mount Ephraim Road	7,544									
Napier House, 14-16 Mount Ephraim Road	6,155									
18 Mount Ephraim Road	5,226									
Montague House, 9 Hanover Road	8,505									
20 Mount Ephraim Road	4,785									
Kenwood House, 1 Upper Grosvenor Road			6,559							
Zurich House, 1 Meadow Road									14,668	
Union House, Eridge Road								45,359		
Royal Victoria House, The Pantiles	13,000									5,560
Corn Exchange Arcade, The Pantiles	6,000									7,000
Foundation House, Coach & Horses Passage	7,000									
Dowding House, Coach & Horses Passage	2,500									
Eridge, The Pantiles										
Total =	327,230	35,544	98,380	0	15,625	48,024	6,454	45,359	32,795	67,392



***Appendix II - Photo Library of properties referred to in this Report***



Oxford House, Mount Ephraim Road



Longford House, Mount Ephraim Road



Calverley House, Calverley Road



Wallside House, Mount Ephraim Road



Brook & Seymour House, Mount Ephraim Road



7 Vale Road



Lonsdale House, Lonsdale Gardens



11-13 Lonsdale Gardens



20 Mount Ephraim Road



22 Mount Ephraim



Carriage House, Grosvenor Road



Bank House, Calverley Road



Cadogan House, Calverley Road



Castle House, London Road



Corn Exchange, The Pantiles



Merevale House, London Road



Eridge & Dowding House, Coach & Horses Passage



Foundation House, Coach & Horses Passage



The Great Hall, Mount Pleasant Road



Hanover House, Mount Ephraim Road





Hargreaves House, Calverley Road



Heathervale House, Vale Avenue



Jubilee House, Vale Road



Kenwood House, Upper Grosvenor Road



Montague House, Hanover Road



Mount Pleasant House, Lonsdale Gardens



Napier House, Mount Ephraim Road



Northfields, St Johns Road



Priplan House, Crescent Road



Reliance House, Vale Avenue



Royal Victoria House, The Pantiles



Phillips House, Crescent Road



Union House, The Pantiles



Union House (demolition underway)



Monson House, Monson Way



3-5 Lonsdale Gardens





Vale House, Clarence Road



Windsor House, Mount Ephraim Road



Wellington Gate, Church Road



Westcombe House, Mount Ephraim



Lonsdale House, Lonsdale Gardens



Lonsdale Gate, Lonsdale Gardens



Zurich House, Meadow Road



Town Hall, Crescent Road / Mount Pleasant Road

## **Appendix – III – BREEAM – An explanation**

### \*Scoring and Rating BREEAM assessed buildings

There are a number of elements that determine the overall performance of a new construction project assessed using BREEAM, these are as follows:

1. The BREEAM rating level benchmarks
2. The minimum BREEAM standards
3. The environmental section weightings
4. The BREEAM assessment issues and credits

How these elements combine to produce a BREEAM rating is summarised below. This is followed by a description and example describing the methodology for calculating a rating.

The BREEAM rating benchmarks for construction projects assessed using the 2011 version of BREEAM are as follows:

Table 1 BREEAM rating benchmarks

BREEAM Rating	% score
OUTSTANDING	≥ 85
EXCELLENT	≥ 70
VERY GOOD	≥ 55
GOOD	≥ 45
PASS	≥ 30
UNCLASSIFIED	< 30

The BREEAM rating benchmark levels enable a client or other stakeholder to compare an individual building's performance with other BREEAM rated buildings and the typical sustainability performance of new non-domestic buildings in the UK.

In this respect each BREEAM rating level broadly represents performance equivalent to:

1. Outstanding: Less than top 1% of UK new non-domestic buildings (innovator)
2. Excellent: Top 10% of UK new non-domestic buildings (best practice)



3. Very Good: Top 25% of UK new non-domestic buildings (advanced good practice)
4. Good: Top 50% of UK new non-domestic buildings (intermediate good practice)
5. Pass: Top 75% of UK new non-domestic buildings (standard good practice)

An unclassified BREEAM rating represents performance that is non-compliant with BREEAM, in terms of failing to meet either the BREEAM minimum standards of performance for key environmental issues or the overall threshold score required for formal BREEAM certification.

## **Appendix IV – Literature on National Office Market**

### **CBRE (2015) - Establishing the Impacts of the Prior Approval Regime**

CBRE concluded from their report that there was not enough available data to critically assess the impact of the rights at that date. However, many regions expressed the opinion the rights were causing detrimental losses of office space.

Conversions increased since PDR's were introduced, with the increasing discrepancy between office and residential property prices cited as a key factor.

CBRE found that developers often apply for prior approval as a precaution, in addition to a traditional planning application. Consequently, a significant amount of approvals (possibly 50%, not including London) have been implemented.

The accuracy of their findings can be questioned however, as their calculations were based on assumptions on how many approvals are being implemented and the quantity of office stock being converted per implemented approval.

### **CBRE (2017) – One year on from Permanence**

Since their 2015 study, the scale of residential conversions has continued widening compared to stock availability. Consequently, they concluded that PDR's are very likely to be a major cause of the decline, even accounting for the weakness of the office development pipeline in recent years.

Quantitative assertions were made, as 7.8% of all homes now come from office conversion – the highest since their data series began in 2000. Since 2013, there has been a cumulative loss of 17.9 million sq ft of office floor space nationally from residential conversion under prior approval, representing 1.9% of the 2015 national office stock. Overall, they believe the forces shaping conversion are likely to continue for some time, supporting Turley's analysis in the Economic Needs Study.

### **Estates Gazette (2017) - PDR conversions hit UK office supply**

The article outlined key research from BCO, providing statistics on the 'implementation rate'. The findings found a 50% average implementation rate nationally, which is similar to the findings from CBRE in 2015.

### **Estates Gazette (2015) - Office to Resi: Conversion factors**

The article expressed concerns of stakeholders about the newly extended rights. They found mixed enthusiasm from councils at the potential loss of office space; secondly, planners and politicians were concerned at the lack of normal planning overview in such schemes; and finally, developers were uncertain whether redundant offices make good homes anyway, especially with commercial values rising again. Clearly, these concerns were not what the government envisaged.

### **London Councils Report (2015)**

Concerns expressed by boroughs included the quality of housing being provided from Permitted Development Schemes, the volume of office space being lost, and the fact that some conversions were resulting in existing office tenants having their leases terminated. Information on office floor space was available for 1,232 prior approvals, with 9.0 million sq ft of space lost.

### **Carter Jonas Survey (2016)**

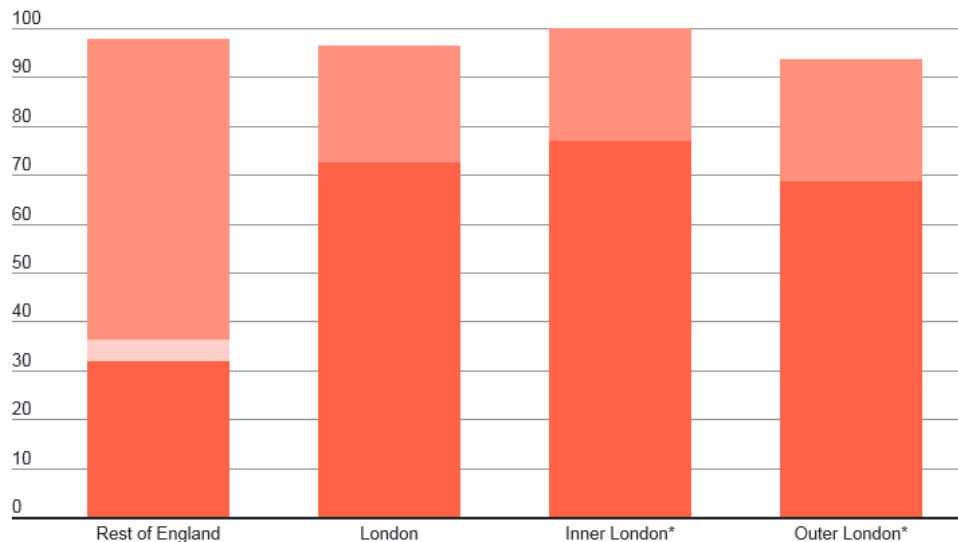
Carter Jonas conducted a survey of 80 local authorities, examining council attitudes to the permanent introduction of permitted development. Because the survey is attitudinal, it provides no quantified information on the actual impact of the new rights, but does give some indication of the main concerns being expressed by local authorities recently, such as:

- There was concern both to protect offices and ensure an appropriate quality of residential accommodation.
- Article 4 Directions were seen as a tool to move away from prior approvals and return to traditional planning.

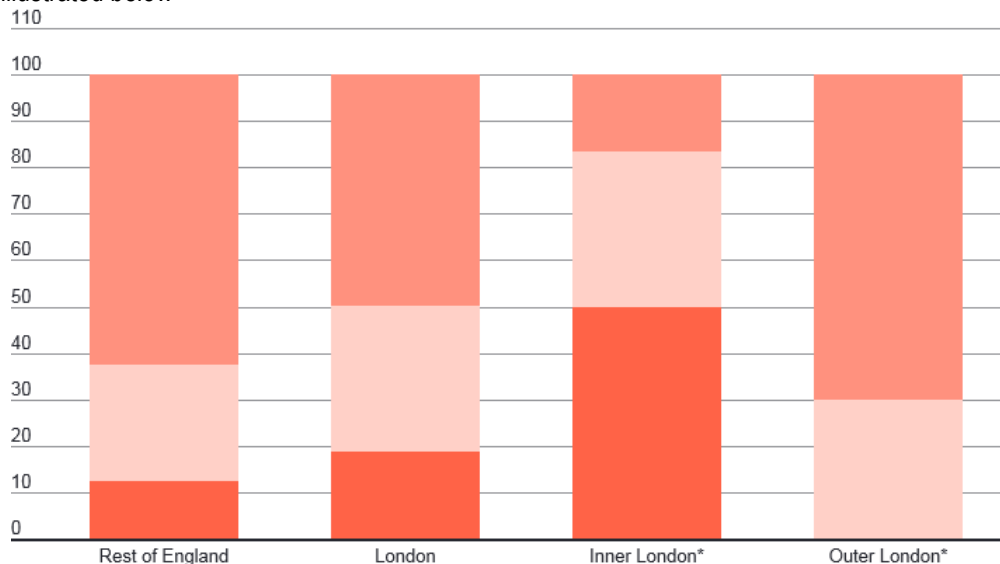
Although Turley's felt rental growth was showing no signs of slowing, Carter Jonas believe fewer conversions would come forward in the future with rents therefore decelerating.

### Carter Jonas Survey (2017)

More recent research from Carter Jonas found that nearly half of the all the largest local planning authorities in England believe that Permitted Development Rights (PDR) are a problem in their area. Of the 73 local authorities surveyed, the primary concern around the conversion of offices to residential centered on the loss of jobs and the impact that this will have on the growth of the local economy. The results from their question 'Are permitted development rights (PDR) of office to residential conversions a problem?' are shown in the below table:



Since the 2016 survey, the number of local planning authorities outside of London that have an Article 4 direction in place to remove PDR has now doubled to eight. However, the 80% that do not currently have a Direction in place remained firm on their decision not to introduce one in the future. In contrast, a slight increase was observed in London, with over half of the LPA's surveyed in inner and outer London now adopting the Direction and 70% confirming that they are either considering implementing or planning to introduce one. The details of this are illustrated below



Key:

NO

MAYBE

YES

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[Backlash as office conversions push businesses out of Tunbridge Wells](#)



- 22 Feb 2017 - Fears Tunbridge Wells will be reduced to a 'dormitory town' due to the decline in office space will be exacerbated after planning permission was submitted to convert Westcombe House into flats. Available at:

[More office space lost as plans are made to convert Westcombe ...](#)

- 11 Oct 2017 - Property experts have voiced concerns at the lack of office space in Tunbridge Wells after stockbroker A J Bell announced plans to move. Available at:

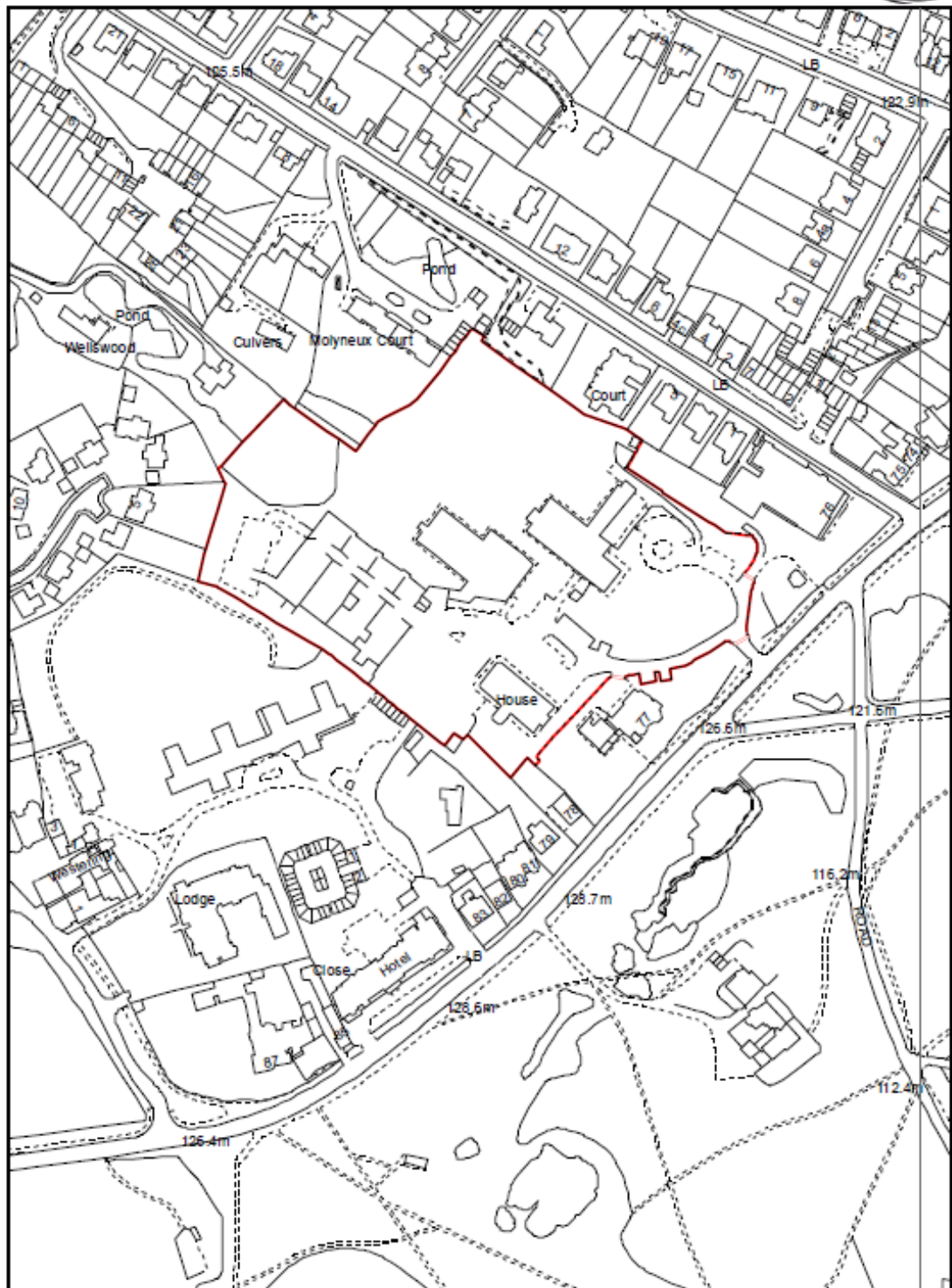
[Scarcity of town office space likely to continue for 'the foreseeable future'](#)

- 26<sup>th</sup> Edition of the Kent Commercial Property Market Report, produced by KCC's Economic Development Division, Caxtons and Locate in Kent – see page 8 which confirms the loss of space. Available at:

<http://www.kentpropertymarket.com/>

**Appendix VI – Plans of 77 Mount Ephraim, Application for exemption from PD Rights and Briefing Note on Article 4**

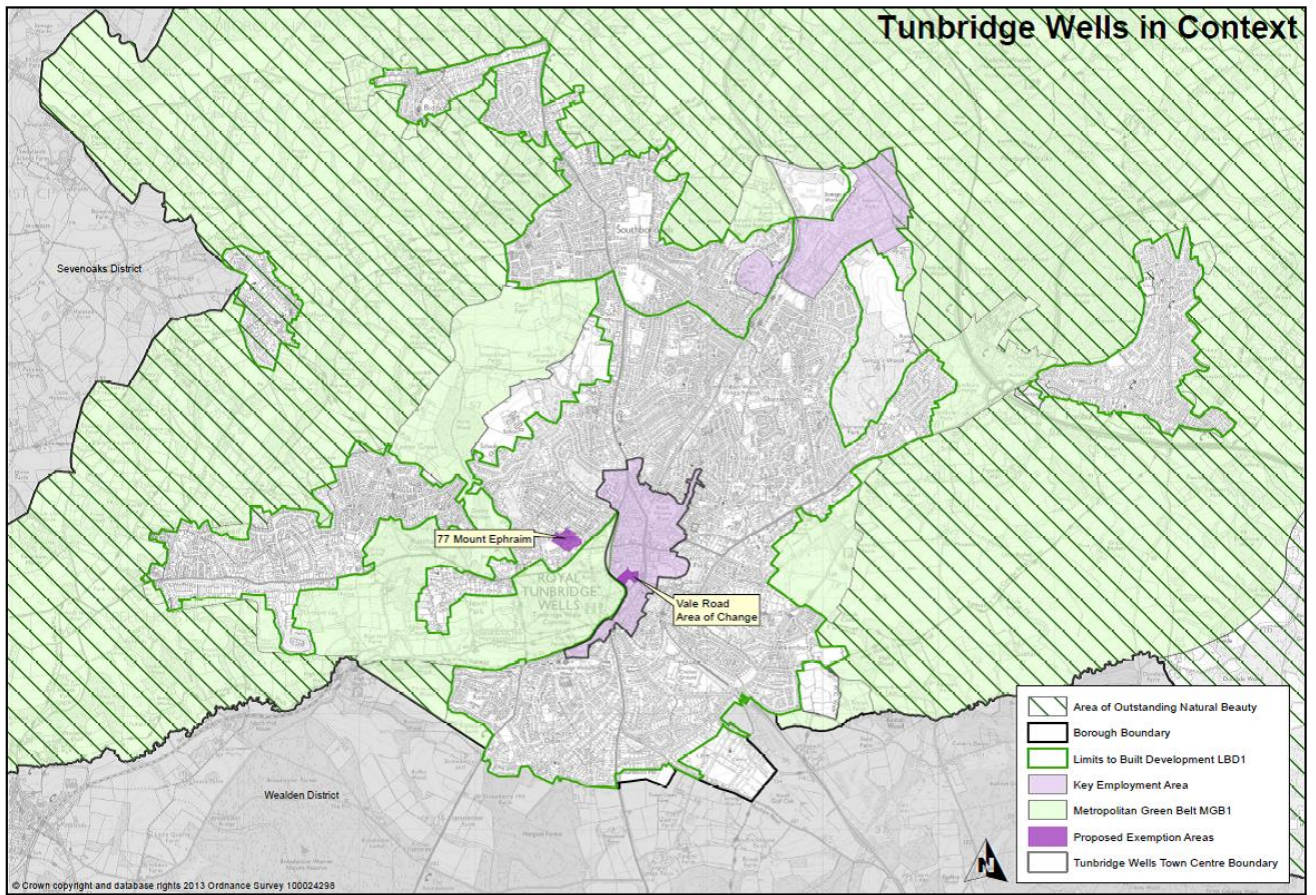
**77 MOUNT EPHRAIM**



Scale 1:2,500

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Map Dated: 19/02/2013







Miss S. Pigden  
Department for Communities and  
Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Please ask for: James Freeman  
Extension: 2101  
Email: james.freeman@tunbridgewells.gov.uk  
Our Reference: JF / Feb 13  
Date: 22 February 2013

Dear Samantha

**Permitted development rights for change of use from B1(a) to C3 - Exemption**

Tunbridge Wells Borough Council writes in response to the Chief Planning Officers letter which was issued on 24<sup>th</sup> January 2013. The Council is seeking an exemption in accordance with B *'substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring'*.

Notwithstanding the Council's wider concerns regarding the introduction of this new permitted development right, as expressed in our previous consultation response, the Council is seeking exemption for the following tightly defined areas of Tunbridge Wells Town Centre, shown on the maps attached at Appendix A.

- Vale Avenue Area of Change
- 77 Mount Ephraim

Royal Tunbridge Wells is the principal leisure, retail and service centre in the Borough, serving a wide catchment. The town has a high quality environment and is tightly constrained by nationally supported designations which include the Metropolitan Green Belt and the High Weald Area of Outstanding Natural Beauty (see map Appendix B). It is highly likely that replacement office locations which are required as a consequence of the loss of existing premises; will have to be outside of the town centre and wider urban area, due to a lack of suitable brownfield sites. Any proposal for development outside of the existing urban area will be subject to a high level of political opposition, and may result in the Council being unable to balance residential development with suitable employment growth.

As outlined in table 1 below, both of the proposed exemption areas represent small but significant components of the overall supply of B1 accommodation in Tunbridge Wells town centre. They are established and unique office locations which are predominantly B1 at present, and situated in close proximity to the town centre and public transport connections.

Town Hall Royal Tunbridge Wells Kent TN1 1RS

switchboard 01892 526121 SMS (text) 07870 526121  
DX 3929 Tunbridge Wells website [www.tunbridgewells.gov.uk](http://www.tunbridgewells.gov.uk)

Premise Name	Post Code	Internal Floor Area	Occupancy
<b>Vale Avenue Area of Change</b>			
Merevale House	TN1 1DP	17,781 sq/ft	Freeholder: IM Properties Lessee: Tunbridge Wells County Court
Vale House	TN1 1HE	20,329 sq ft	Freeholder: GE Capital Corporation Lessees: Multiple including 2020 Media Group and Build Africa Vacant space currently marketed by Bracketts 8,056 sq ft
Heathervale House, 2-4 Vale Avenue	TN1 1DJ	14,499 sq/ft	Freeholder Portcullis Land and Property Lessees: Multiple including Dolphin Geophysical Ltd and Crimson Tide Mpro Ltd
Reliance Mutual, 6 Vale Avenue	TN1 1DJ	Unknown	Freeholder: Unknown Lessees: F S Management Ltd and Reliance Administration Services Limited
7 Vale Avenue	TN1 1DJ	Unknown	Freeholder: Unknown Lessees: Multiple including The Goodman Partnership and ICOF Europe Ltd
<b>77 Mount Ephraim</b>			
Neville House	TN4 8HZ	15,565 sq ft	Freeholder: Scottish Widows Lessees: Currently Vacant Vacant space currently marketed by Broadlands
Brockborne House	TN4 8GN	13,993 sq ft	Freeholder: MCL Group Limited Lessees: Multiple including GE Capital and Tunbridge Wells Equitable Investments Vacant space currently marketed by Hurst Warne 8000 sq ft
Sturge House	TN4 8BS	15,489 sq ft (est)	Freeholder: UK Reality Ltd Lessees: Multiple including MCL Property Investments Ltd and ADEPT Telecom

Table 1- B1 premises within proposed exemption areas

Whilst both of the proposed exemption areas include some good quality buildings, both include buildings which are now dated and are difficult to let. The Council is keen to see redevelopment of existing premises, to ensure that the Town remains competitive on a sub-regional basis for new A grade office accommodation and associated business activity. This is very important given the intentions of other sub-regional centres to develop new high quality office accommodation, including Kings Hill, Maidstone, Chatham, Ashford and Ebbsfleet in Kent, and the neighbouring centres of Crawley and Croydon. A recently published article in Estates Gazette reflects some of this activity (Appendix C).

Any uncontrolled loss of these sites to residential accommodation will put at risk the Council's wider economic development objectives, as set out in forthcoming planning policies our adopted Core Strategy (2010) and forthcoming DPD's. The proposed areas of exemption present unique opportunities and circumstances as follows:

- Vale Avenue Area of Change – The area is adjacent to Tunbridge Wells rail station, and recently reopened supermarket. The Council is working with landowners to bring forward a comprehensive proposal for redevelopment. Confidential discussions are ongoing with appointed consultants to regenerate this area of the town centre. The Council wishes to take a plan led approach as supported by draft policy AL/RTW 3 (Appendix D).
- 77 Mount Ephraim – This site represents the only high quality B1 business park opportunity in Tunbridge Wells town centre. The site benefiting from ample parking and a spacious landscaped setting. Given the proximity of the area to the town centre and mainline rail connections, any loss to residential would be impossible to replace in a sustainable manner within or adjacent to the town centre. The Council is currently in discussions with a developer to refurbish Neville House for an appropriate employment use; this is supported by draft policy AL/RTW 18 (Appendix D).

The imminent new permitted development right may therefore, hinder the potential for comprehensive redevelopment proposals to come forward, this could include an element of residential development in Vale Avenue. Tunbridge Wells is a desirable location, and we know that the demand for residential development is strong in the town centre, where associated capital values for C3 premises are significantly higher than for B1 premises. Typical office leasehold values are currently £14-£18 per sq/ft per annum, reflecting the current subdued nature of demand (prevalent across the South East and ageing nature of our B1 stock. In comparison leasehold values for residential flats (most likely converted use), range from £12-£20 per sq/ft per annum, within Tunbridge Wells town centre. As the freehold values are stronger for residential premises, an easy route to conversion could provide developers and investors with a short term incentive to convert and sell.

The Council's concerns regarding the conversion of B1 premises within the proposed exemption areas, to C3, are supported by the submission of pre-application enquiries / applications seeking the conversion of both Heathervale House and Neville House within the past 18 months. It should also be noted that the Council's relevant policies as set out in our Core Strategy, do not prevent the redevelopment of existing office premises, but require developers to confirm (using market evidence) that the existing use is no longer required (Core Strategy Policy 7), attached at Appendix E.

The Council considers the loss of employment generating uses as a serious concern. Our Authority Monitoring Report confirms that there has been a net loss of 9,434sq/m of B1a/B1 general floorspace, between April 2009 and March 2012. Furthermore this loss has increased year on year and is likely to be enhanced by the forthcoming permitted development right. 77.1% of the converted B1 floorspace has occurred outside the Borough's town centre boundaries, often through the further conversion of rural buildings. 18.5% has occurred within the Royal Tunbridge Wells town centre boundary, and 4.4% within Paddock Wood town centre boundary, the second largest settlement in the Borough. Almost 30% of the converted floorspace has been to C class uses.



Furthermore, site specific recommendations as set out in our Employment Land Review Update (GVA Grimley 2010), advise that the Council should be seeking to encourage the improvement of the town centre office market, and identify opportunities for selective replacement and redevelopment of existing stock. The study concludes that Vale Avenue *"is in a key strategic location close to the train station and with an improvement in stock quality could become one of the key office locations in the town centre"* (para 8.53). The ELR recommends that redevelopment within the town centre *"should not result in a net loss of office floorspace or capacity within the town centre boundary"*, and that the Council *"should seek to encourage the replacement of stock which is no longer meeting occupier needs and where areas are more suited to non-office uses replacement provision should be made elsewhere"* (para 8.58). It is these recommendations which the Council is seeking to implement through existing and forthcoming planning policies.

#### **Summary**

The Council accepts that there will be a wider loss of B1 premises within the Borough and Town Centre as a consequence of the forthcoming amendment to the GPDO. The exemptions sought reflect small but prominent components of the existing stock, which the Council has identified as being important for the economic future of the town centre. The Council is therefore seeking to maintain a balanced, vital and viable business centre outside the London conurbation, focussing new employment development within identified Key Areas of Change as part of mixed use redevelopment proposals.

The proposed areas of exemption are centrally located and can not be sustainably replicated elsewhere in the Borough. Their proximity to other services and transport connections makes them desirable employment locations.

I trust that ministers will consider this application favourably.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Freeman', with a long horizontal line extending to the right.

**James Freeman**  
Head of Planning Services

**APPENDIX C – Extract from Estates Gazette**  
<http://www.egi.co.uk/news/article.aspx?id=761732>

**Hope builds for South East offices - By Mark Simmons - 02-02-2013**

Deals under 10,000 sq ft dominate take-up, yet developers are taking a punt and building larger buildings. Mark Simmons reports

The ray of office activity that is the Thames Valley Corridor is having a positive effect on Surrey's western extremities. For a county that last year saw very modest take-up of anything other than small office suites the arrival of several speculative schemes around Staines is a welcome surprise.

Three developments, totalling more than 200,000 sq ft, are due to complete in the next year. First to make it to the finishing line will be Exton Estates' and Rockspring's £22m, two-building [Flow scheme](#) on the Causeway. Exton director James Mawson says that being ahead of the pack will be an advantage for the 60,000 sq ft it is building that will be ready this June. He says: "Once you have a finished building, occupiers can see what they are going to get and it is an easier decision."

But snapping at Flow's heels is Aberdeen Asset Management's £25m, 57,000 sq ft [Unit 5](#) on the [Pine Trees](#) estate on Chertsey Lane, due to complete later this year, followed early next year by LaSalle Investment Management's and Bell Hammer's 90,000 sq ft [Strata](#) building in Bridge Street.

Developers will be hoping that the shortage of grade-A space will lead to quick lettings, although Exton and Rockspring, which completed their speculatively built 106,000 sq ft Velocity scheme in Weybridge at the end of last year, narrowly missed out on a deal with Cameron International.

At the other end of Surrey, in Croydon, where major office development has been absent for two decades, there are also speculative stirrings. Two schemes will complete this year - Abstract Securities' 100,000 sq ft [Renaissance](#) on Dingwall Road is due to finish in August, and around the same time, Carval Investors and Canmoor are due to finish their full-scale refurbishment of 183,000 sq ft at [Interchange](#) on Wellesley Road.

Both developers are conscious that existing rental levels in East Croydon are low - less than £20 per sq ft - but claim to be able to pitch their prices accordingly. "We are never going to sell on a dream," admits Abstract development director Chris McPherson, "but if we have got the building finished, we have half a chance of capturing tenants."

Those could be local corporates or businesses considering a move from central London. "The total occupation cost for new space in East Croydon will be around a quarter of that in Victoria, and that's a big gap for 15 minutes on the train," says Savills associate director Andrew Willcock (see graph).

Elsewhere, Lambert Smith Hampton's Paul Dowson believes that lease events may inject some activity into the Guildford market. "There is some 500,000 sq ft in big prime buildings coming to lease ends by 2016," he says. That has given Standard Life Investments and Bell Hammer the confidence to go ahead this summer with the

speculative redevelopment of the 30,000 sq ft [Beaufort House](#), Chertsey Street, due to complete in spring 2014.

#### SURREY OFFICE TAKE-UP 2012 (SQ FT)\*

Croydon

**58,000**

Guildford

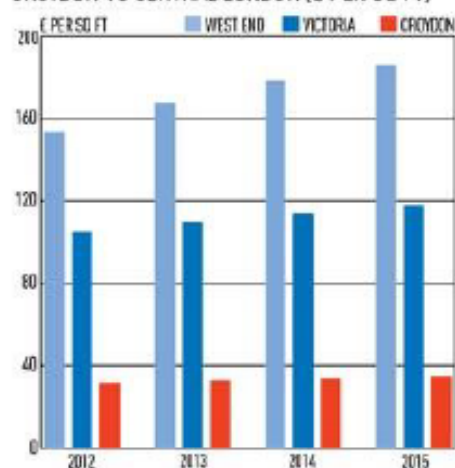
**85,000**

Staines

**35,000**

Source: Knight Frank (\*deals in excess of 10,000 sq ft)

#### FORECAST TOTAL OCCUPATION COSTS CROYDON VS CENTRAL LONDON (£ PER SQ FT)



Source: Savills

#### Kent and Sussex - Waiting for the tide to turn

When the storm clouds of recession clear, developers are hoping to have office space available that will tempt tenants away from central London. At the end of this year, work will start on the mammoth redevelopment of 26 acres at Chatham Docks. Landowner Peel Group last year got the go-ahead for its outline plans for its £650m Chatham Waters scheme, which will include 1.9m sq ft of offices. But there will be none in the first phase, which, if detailed planning consent is granted this summer, should complete in 2015.

"We won't get vacant possession of the remainder of the land until early 2015," says Peel development director James Whittaker. "We can hopefully start on the commercial element then." That means the earliest that offices will appear is 2017.

Further north, Land Securities and LaFarge have yet to announce a start date for their £2bn Ebbsfleet Valley project, where up to 4m sq ft of offices are planned.

No mega-schemes are planned in neighbouring Sussex, although Vail Williams partner Stephen Oliver believes that Nestlé's recent move from Croydon to Crawley will stimulate the office market there. He says: "It is bound to have a knock-on effect. All sorts of suppliers and contractors will inevitably feed off that."

That may be enough for Green Property to start work later this year on its 130,000 sq ft Nova scheme on Crawley's Manor Royal estate.

### Croydon - Living in a box?

A planning application just before Christmas last year for the conversion of the former Nestlé tower in central Croydon from offices to residential was not quite as unexpected as the Swiss food corporation's decision a year ago to move from Croydon to Crawley. But it raises the question of whether the town's traditional office locations may become the residential areas of tomorrow.

Legal & General Property, which now owns [St George's House](#) (as the former Nestlé tower is known), hopes to create around 290 homes in the building, which currently houses 120,000 sq ft of offices.

If the scheme is granted consent this spring, it will not be the only office-to-residential swap in Croydon. Nearby, on Wellesley Road, Berkeley Homes' Saffron Square development is already under construction. Around 740 homes are appearing on a site that formerly housed two office blocks totalling around 370,000 sq ft. And at [St Anne House](#), Redefine International won planning consent last November to convert 100,000 sq ft of offices into a 144-bedroom Ibis hotel plus 46 flats.

With speculative office space now under way (see main text), landlords of redundant offices may be increasingly tempted to consider a change of use. Watch out for more of these kinds of planning applications in 2013.



**APPENDIX D – Draft Planning Policies as Defined in the Tunbridge Wells Site Allocations DPD Consultation, to be released for public consultation on 18<sup>th</sup> March 2013.**

**Policy AL/RTW 3 – Vale Avenue Area of Change**

**(including Vale House, Vale Avenue (Site 69), Merevale House, Vale Avenue (Site 70) and Torrington Car Park, Vale Road (Site 1013))**

The area shown on the Royal Tunbridge Wells Town Centre Proposals Map is designated as an Area of Change.

The Council will work with local businesses, the local community, landowners and developers to produce a Masterplan Supplementary Planning Document to guide development proposals for the Area.

Within this area, a comprehensive scheme for redevelopment and refurbishment of sites, buildings and spaces will be prepared. Proposals will be expected to deliver the following:

- **Employment use:** proposals should explore opportunities to provide additional high quality employment space as part of the redevelopment of the area. There shall be no net loss of employment space from within the Area of Change, unless it can be demonstrated that alternative high quality provision will be made within the Town Centre Key Employment Area
- **Retail use:** existing convenience retail floorspace shall be retained or re-provided within the area
- **Parking:** incorporating around 410 car parking spaces. There shall be no net loss of public car parking spaces within the Area of Change

Other uses may also be delivered as part of the redevelopment and refurbishment of sites within the Area. Appropriate uses could include:

- **Hotel and conference facilities**
- **Residential use:** redevelopment for residential use will be encouraged where it is supplementary to the above uses and would not compromise the overall aims of the masterplan, providing at least 100 dwellings

Proposals for redevelopment and refurbishment within the Area of Change shall accord with the following principles:

- a townscape assessment must be produced to inform the masterplan and guide redevelopment and refurbishment within the Area of Change. This will focus on the listed building within the Area and the railway station, and on enhancing the Conservation Area and the setting of Tunbridge Wells Common
- proposals must be accompanied by a Transport Assessment and a Travel Plan, and by an Air Quality Assessment and appropriate mitigation measures
- redevelopment shall incorporate enhanced pedestrian and cycle access routes to the railway station development proposals will be expected to:
  - enhance the public realm in the area surrounding the railway station forecourt
  - provide public art, which may include water features, within the Area

- create and enhance green infrastructure links within the Area, including to The Common
- provide sufficient parking for railway station users to enable the release of the station car park on the Land including Car Park and Buildings off Grove Hill Road (Site 111) for redevelopment

**Policy AL/RTW 18 – Neville House, Mount Ephraim (Site 101)**

It is proposed that this site, as shown on the Royal Tunbridge Wells West Proposals Map, is allocated for employment uses. The preferred use is B1(a) office or A2 (financial and professional services), but proposals including B1(b) research and development, B1(c) light industry, C1 hotels and D1 non-residential institutions will also be considered favourably.



## APPENDIX E – Core Strategy Policy 7 – Employment Provision

Sufficient good quality employment land will be provided for strategic and local requirements, as set out in the South East Plan and the relevant Tunbridge Wells Borough Employment Land Study. The Borough Council will, if necessary, review its Employment Land Study to refine job numbers and identify any further sectoral requirements in light of new information provided at the regional level. Employment provision in the Borough during the Core Strategy period will be achieved by:

1. Maintaining the overall net amount of employment floorspace across the Borough for a range of employment generating uses
2. The retention of existing floorspace and the encouragement of new floorspace in the Key Employment Areas on allocated sites and vacant sites; and through the intensification and redevelopment of existing sites. The Key Employment Areas are defined as follows:

- Royal Tunbridge Wells Town Centre (boundary to be defined within the TCAAP)
- Royal Tunbridge Wells – North Farm/Longfield Road industrial area
- Southborough – High Brooms Industrial Park
- Paddock Wood – Eldon Way and west of Maidstone Road
- Paddock Wood – Transfesa Road East and West
- Gills Green – Former Hawkhurst Railway Station and sidings
- Capel – Brook Farm

The specific employment uses appropriate in each Key Employment Area will be set out in an appropriate DPD

3. Safeguarding for employment use areas and buildings in existing employment use across the Borough, if they:
  - are well located to main roads and public transport networks
  - provide, or are physically and viably capable of providing, through redevelopment, good quality modern accommodation attractive to the market
  - are capable of meeting a range of employment uses to support the local economy
4. Permitting employment development on sites not specifically identified for that purpose, or on mixed use sites, in accordance with Core Policy 1: Delivery of Development and if there is no significant adverse impact on residential amenity, local character or highway capacity and/or safety, contrary to other Development Plan policies
5. The allocation of new employment sites to meet demand during the Core Strategy period if the number of jobs/floorspace required at the regional level cannot be met at the above approach. If more employment land is required, it will be directed to the broad locations, or extensions of the locations, set out in Core Policy 7(2)
6. Strengthening the rural economy through encouraging the re-use of surplus rural buildings for employment use in accordance with the approach set out in Core Policy 14: development in the Villages and Rural Areas
7. Promoting the development and retention of, and enhancing the quality and attractiveness of, tourism accommodation and attractions the Borough