

From: [REDACTED]
Sent: 24 July 2023 10:35
To: Richmond Local Plan
Cc: [REDACTED]
Subject: Representations regarding Richmond Reg 19 consultation - WGS Ltd
Attachments: Reg 19 reps - William Grant and Sons.pdf; Response Form - William Grant and Sons.pdf; Employment Evidence Report re Independence House - Lichfield's.pdf; Marketing Report - Independence House.pdf

Importance: High

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Dear Sirs,

Please see attached representations made to the Regulation 19 consultation on Richmond's draft local plan. These are submitted on behalf of our client, William Grant & Sons Ltd, with regards to their site at 84 Lower Mortlake Road. We would appreciate if you could confirm that this email has been received and the submission added to the local plan consultation database. I would also like my details to be added to the database to be kept updated on its progress.

Going forward we would be happy to liaise with officers of the council regarding the submission prior to the plan being submitted for examination. Please let me know if you would like to do so.

Kind Regards

Tim Humphries

Associate

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**Independence House, 84 Lower
Mortlake Road, Richmond**
Employment Evidence

Final Report

William Grant & Sons Ltd

19 July 2023

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1.0 Introduction

- 1.1 William Grant & Sons Ltd commissioned Lichfields to prepare evidence to accompany representations to the London Borough of Richmond ('LB Richmond') Publication Draft Local Plan (Regulation 19) Consultation, in relation to seeking the exclusion of Independence House, 84 Lower Mortlake Road, Richmond TW9 2HS ('the site') from a proposed Key Business Area.

Site Policy Context

Adopted Local Plan

- 1.2 The site currently comprises a vacant 4-storey office building totalling c.1,400 sq.m. It is located within the '72-84 Lower Mortlake Road, Richmond' Key Office Area (Policy LP 41, Adopted Local Plan 2018), alongside the adjacent Avalon House and Eminence House, although the latter is converted to a residential building. The site is also subject to an Article 4 Direction (with reference 'Site 37') which also covers Avalon House and which came into force in July 2022.
- 1.3 The policy position in the Adopted Local Plan¹ is that in Key Office Areas the quantum of existing office space will be either retained or enhanced. It is stated in the justification of Policy LP 41 that:

"The Council will not permit loss of office space in these areas and development of new office space is encouraged. Proposals for redevelopment of employment sites or mixed-use schemes will be required to contribute to a net increase in office floorspace".

Publication Draft Local Plan

- 1.4 The emerging policy as set out in the Publication Draft Local Plan² carries forward the restriction of no loss of office space. In particular, 'Policy 23 Offices' states under point A 'Retention of Offices' that:

"There is a presumption against the loss of office floorspace in all parts of the borough. Proposals which result in a net loss of office floorspace will be refused..."

- 1.5 Of note, the same policy also renames the 'Key Office Areas' to 'Key Business Areas'.
- 1.6 Justification paragraph 19.19 states that proposals that involve a change of use not supported by Policy 23 will require satisfactory marketing evidence. Planning application submissions should set out the reasons why the site is not suitable for continued commercial, business or service uses.
- 1.7 Paragraph 19.24 states that it is the Council's intention to continue to enforce the existing Article 4 Direction to require the application route for change of use involving loss of office within specific areas, including '72-84 Lower Mortlake Road, Richmond' (i.e. covering the site).

¹ London Borough of Richmond upon Thames Local Plan, adopted July 2018
(https://www.richmond.gov.uk/media/15935/adopted_local_plan_interim.pdf)

² https://www.richmond.gov.uk/media/fomccpcf/publication_local_plan_low_resolution.pdf

- 1.8 This proposed policy position is also set out in ‘Policy 21 Protecting the Local Economy’ (Strategic Policy) and in particular within point A1 that states new developments will be supported where they protect existing office space with a no net loss approach, and point A2 which directs major employment development within the designated Key Business Areas.
- 1.9 Paragraph 19.4 discusses the changes in working styles and their impacts on employment floorspace and states that this trend “*may reduce the extent to which new jobs need additional dedicated office floorspace* [emphasis added], *however the long-term impacts remain uncertain and there is a need to plan for economic recovery*”.
- 1.10 Finally, Appendix 2 paragraph 28.9 sets out the marketing requirements that should accompany any proposals that relate to loss of office space. These include:
- Evidence that the site has been marketed for the existing office use and other types of office-based uses such as flexible, start-up or co-working space (for a proposed period of a minimum 2 years based on Table 28.1);
 - Offices should be marketed at a price commensurate with their existing quality or condition;
 - The lease term should not be unduly restrictive; and
 - Alternatively, the potential of upgrading the building or adapting the building to meet modern workspace requirements should be explored.

Purpose

- 1.11 In view of the Local Plan Consultation and forthcoming Local Plan submission, this report reviews the Council’s employment land evidence presented within the [2021 Employment Land and Premises Needs Assessment](#) (‘2021 ELPNA’) and the [2023 Update](#), and adds to this by providing an updated position in relation to office demand and requirements based on an analysis of the latest market signals (at May/June 2023).
- 1.12 In addition, the report considers the findings of the [2015 Assessment of Office Stock in Richmond upon Thames](#) that informed the initial Article 4 Direction following the introduction of permitted development rights in 2013 and comprises the Council’s latest available audit of the Borough’s stock of office accommodation.
- 1.13 The evidence presented herein also reviews the supply analysis presented in the [2013 Richmond Employment Sites and Premises Study](#) as this constitutes the latest ‘complete’ employment evidence (i.e. covering both demand and supply), which all of the subsequent studies (including the 2021 ELPNA and 2023 Update) effectively seek to update elements of.
- 1.14 The analysis is then drawn together to present the latest office demand/supply balance position to justify that the exclusion of Independence House from being designated as a Key Office Area/Key Business Area, and associated loss of office floorspace, would have no material impact on the balance for office space across the Borough in both quantitative and qualitative terms.

Structure of the Report

1.15

The remainder of this report is structured as follows:

- **Employment evidence review (Section 2.0):** provides a critique of the latest employment land needs assessment in relation to future office requirements in the Borough.
- **Review of office supply (Section 3.0):** reviews all of the Council's employment land evidence in relation to the supply of office stock to understand the quantum and quality of the future supply as well as to review the rationale for designating the site as a Key Office Area/Key Business Area, and if this is still valid. Following this, an updated office demand and supply balance is presented demonstrating that sufficient supply is available to accommodate future office requirements across the Local Plan period.
- **Role and contribution of Independence House (Section 4.0):** summarises key findings from the accompanying Marketing Report regarding the role and contribution that Independence House plays in the local office market.
- Overall **conclusions** are presented in **Section 5.0**.

2.0 Review of employment evidence

2.1 This section reviews the Council’s latest evidence on office needs and requirements as presented within the [2021 Employment Land and Premises Needs Assessment](#) (‘2021 ELPNA’) and the [2023 Update](#). In particular, it considers the robustness and soundness of the approach undertaken by the Council’s evidence, alongside the suitability of the data that informs it. It also considers the interpretation of the evidence including both the modelling findings and the market signals insofar as these have informed the ELPNA’s conclusions and recommendations in relation to office needs.

Employment Land and Premises Needs Assessment 2021

2.2 The 2021 ELPNA considered different approaches to quantifying employment land needs over the 2019 to 2039 Local Plan period. In overall terms the approach was aligned with the National Planning Policy framework (NPPF) and Planning Practice Guidance (PPG) in relation to assessing economic needs, however it lacked consideration of more qualitative factors and drivers of demand, and in particular longer term implications of the economic climate that was evolving during the Covid-19 pandemic.

2.3 The key findings from the 2021 assessment are summarised as follows:

- 1 The past trends scenario was “very negative” resulting in a negative requirement of -136,140 sq.m when assessing the 11-year monitoring data (2010/11 to 2020/21) and -73,240 sq.m when considering a 4-year period of 2015/16 to 2018/19. It is not clear why the 4-year period was considered, but in any case, the outcomes of this approach were considered contrary to market sentiment, which was showing signs of positivity, and for that reason this scenario was set aside from further consideration.
- 2 The evidence presented two labour demand scenarios, of which the first was based on Experian (April 2021 release) and the second on the former GLA projections dated 2017. Based on Experian, there was office job growth of 130 jobs per annum (pa) for the 2019-39 period. By utilising a density of 12 sq.m NIA per job and adding an 8.1% vacancy rate, that growth was translated to 46,370 sq.m GIA office requirement (net). This was then increased to 92,300 sq.m to factor in anticipated future employment losses for the same plan period (totalling 45,940 sq.m). Against the identified supply of 19,590 sq.m of office space, ***the remaining shortfall of 72,720 sq.m was proposed as the minimum office requirement.***
- 3 The GLA projections for the period 2016-41 projected 545 additional office jobs pa, and by adopting the same approach as in the previous labour demand scenario, it generated a requirement for 199,400 sq.m of office floorspace to 2039. It should be noted that apart from being dated, that GLA projection covered a different time period.

2.4 The 2021 ELPNA recommended as a minimum, a residual need figure of 72,720 sq.m, and suggested that if sites/supply were to become available, the Council should seek to accommodate the GLA’s higher need figure of 199,400 sq.m. However, following that recommendation, the evidence states in para 7.23:

“Even the low Experian number will be challenging in the current climate. Pre-Covid the office market struggled to deliver significant volumes of new space. It is unclear whether space lost to PDR will ever be replaced or has now been lost permanently to

homeworking [emphasis added]. *But it is still important that the Borough plans positively and with a tight occupier market any increase in demand has little supply side response without the new plan proactively seeking new capacity. Also, as noted in the market review, new office products may emerge over the plan period as workers change their behaviour. This may drive a demand for new flexible offices close to where workers live and as an alternative to homeworking.*”

- 2.5 Whilst this approach was broadly aligned with the guidelines of PPG in estimating economic needs, ***the study recommendations do not appear to properly reflect the market activity/signals evidence available at the time of preparation, in particular the performance of the economy since the pandemic.***
- 2.6 For instance, although the evidence acknowledged that the minimum recommended office requirement represented a 20% increase on existing office stock (as at 2021), and while it was prepared during the pandemic, it still recommended that the Council should consider planning for an even higher requirement (if sites were to become available) which given the wider economic climate as well as data on past completions, was unsound and not justified by evidence. Indeed, the study acknowledged at paragraph 4.97 that *“Obviously, any office assessment has an unusually high level of uncertainty at the moment... Even pre-Covid the Borough struggled to deliver net additional office space and currently struggles for viability”* [emphasis added].

Employment Land and Premises Needs Assessment 2023 Update

- 2.7 Since the 2021 ELPNA was prepared and published, there has been significant macro-economic change and resulting shifts in employment policy to reflect the aftermath of the Covid-19 pandemic, the cost-of-living crisis, the new Use Class Order and its impact on town centres and the local economy. Economic forecasts utilised in the 2021 evidence would be considered out-of-date by the time of Local Plan Examination, and the Council introduced a Class E Article 4 Direction in July 2022 aiming to resist losses of office space.
- 2.8 In this context, the 2023 ELPNA Update (published in April 2023) provides new estimates of office and industrial requirements for LB Richmond based on a December 2022 Experian forecast, and these are also compared with the latest GLA employment projections published in October 2022. This comparison indicates that the future projections are broadly aligned, but with Experian anticipating a more positive growth trajectory with a difference of +4,000 workforce jobs to 2041 (c +4%). Given that the GLA’s forecast does not provide a sectoral breakdown of job growth at a local/borough level, it has not been considered in any detail by the 2023 Update.
- 2.9 The Experian forecast expects office jobs to grow by an average of 199 per annum for the 2019-39 period, driven by anticipated growth in professional services sectors. A density ratio of 12 sq.m per job is utilised as well as a vacancy rate of 8.1%, which is broadly consistent with the 2021 ELPNA.
- 2.10 However, the approach to translating ‘net’ employment requirements to ‘gross’ planning requirements in the 2023 Update has been amended significantly compared with the approach taken by the 2021 ELPNA, and now appears to better reflect the nature of office market activity across the Borough and outer London more broadly.

- 2.11 Most notably, an **additional ‘stock vacancy adjustment’** is introduced in the 2023 Update, which essentially considers the relatively high levels of office space vacancy in Richmond and how this should be factored into calculations of future need with the aim of supporting a commercially functional market. The evidence reported an office vacancy rate of 16.7%³ which reflected an increase of 11.7% since the 2021 ELPNA was undertaken. This vacant office stock is deducted from the initial office requirement up to a level to reach the optimum vacancy rate of 7.5% (equivalent to a total of 20,882 sq.m vacant office stock being deducted). This approach results in a **net office requirement of 36,140 sq.m**. The principle of this stock vacancy adjustment appears reasonable in light of the high office vacancy that currently exists across the Borough’s office market.
- 2.12 The second key change in the approach is that there is **no further allowance for replacing future losses of employment floorspace**. This is a correction to the 2021 ELPNA which factored in losses at Teddington Studios that were lost some years before the evidence was prepared. Monitoring data suggests that future losses could total 11,843 sq.m.
- 2.13 Overall, the updated method results in an office floorspace need figure of 36,140 sq.m over the study period to 2041. When compared against an identified pipeline supply of 13,280 sq.m office space (which is discussed in further detail in the following section), the evidence concludes that the Local Plan should accommodate a **residual office space requirement of 22,860 sq.m**. The scale of this requirement is **68.5% lower than recommended by the 2021 ELPNA** and appears to reflect the more limited growth prospects for office-based activity in the Borough over the coming years.
- 2.14 It also aligns with past trend analysis included within the 2023 evidence which shows that the Borough has continued to lose office floorspace over recent years, and which indicates that the adopted Policy LP 41 has been ineffective at preventing this. More than 136,000 sq.m office floorspace has been lost between 2010/11 and 2021/22 according to the 2023 Update (Appendix A).
- 2.15 The 2023 Update notes that office space vacancy has increased significantly over the last few years and since 2020 in particular, and notes at paragraph 3.96 that there is currently more vacant office stock than is required for an efficiently operating property market. The report suggests that a key reason for this could relate to the demographics of the Borough which are particularly favourable to home-working; *“high resident wages may also facilitate homeworking more readily, coupled with high cost of office space in the Borough making it less attractive to hold office space compared to home working”*. It also suggests that the Borough’s remaining office stock is likely to prove harder to convert to residential via PDR or planning due to the changes in building standards that have increased development costs.
- 2.16 The evidence concludes in paragraphs 3.84 and 3.85 that: *“this set of circumstances present a new policy dilemma for the Council and requires a change in approach for the employment land evidence. The 2021 ELPNA treated the spike in availability with care, and did not treat it as a robust indicator of the market that we would use to develop planning policy. There was a hope that the ‘new normal’ would include a return to offices – albeit maybe not to the same extent as before. So, for example, we looked to replace all recent office floorspace losses on the grounds that they had not been lost through any*

³ Based on CoStar (2023)

economic rationale, but through PDR or very short-term market signals". This explains the updated approach that has been taken in the 2023 Update.

- 2.17 Paragraph 3.97 goes on to highlight that, *"With 21,000 sq m of 'surplus' office floorspace (ie the quantum above the 7.5% market optimum), which at recent office floorspace development rates (around 4,000 sq.m per annum) would take the market around five years to absorb. **Thus, in the short-term the efficient operation of the office market in the Borough would not be affected if some of that floorspace was lost*** [emphasis added]."
- 2.18 In reality, net rates of office development have been negative in recent years, so it could be argued that it would take the local market much longer than five years to absorb this high level of vacant space.
- 2.19 At paragraph 3.98, the 2023 Update suggests that until the vacancy rate falls below 10%, ***"losses can essentially be allowed and after that equilibrium is reached then the development management approach would need to be more restrictive"***.
- 2.20 It is also stated in para 3.99 that ***"with so much short-term availability, it would not be pragmatic to refuse Change of Use or redevelopment for comprehensive proposals where available space can be re-provided"*** [emphasis added].
- 2.21 This policy recommendation, however, only applies to *"traditional office stock outside of the Borough centres/ areas covered by A4Ds"* which presumably also covers Key Office Areas/Key Business Areas. This recommendation is not justified by the Council's evidence as the evidence does not include an up-to-date appraisal of the role and performance of the Borough's Key Office Areas/Key Business Areas. Indeed, those that have been underperforming (such as Independence House/72-84 Lower Mortlake Road, Richmond) represent strong candidates for redevelopment and a priority for managed loss of office floorspace over the short/immediate term, in line with 2023 ELPNA recommendations.
- 2.22 Finally, with regards to policy recommendations the evidence suggests that in terms of new provision going forward across the plan period, the majority of demand is for small scale subdivided office units, and on this basis, major mixed-use developments provide the most realistic opportunity to provide for this type of space.
- 2.23 To conclude, the emerging Local Plan Policy 23 which maintains a strict 'no net loss of office floorspace' position, is no longer justified by the Council's latest economic evidence which points to a significant oversupply of office floorspace across the Borough alongside a declining requirement for office space over the new Local Plan period. Indeed, the evidence points to some loss of office space being required to help the market reach equilibrium and be able to function more effectively. A more flexible and pragmatic approach is therefore required through proposed Policy 23 in order to respond to the significant over-supply of functionally redundant office space that exists across the Borough's office market and to more effectively encourage provision of high quality accommodation that better meets the needs of local businesses.

Summary

2.24

The key points from our review of the latest employment evidence in relation to office needs across LB Richmond are summarised as follows:

- 1 The 2021 ELPNA identified a relatively high requirement for office space in Richmond which did not appear to reflect prevailing economic trends and office market activity at the time the study was prepared. Recommendations were strongly caveated to reflect the high level of uncertainty that existed at the time, and acknowledged that even pre-Covid the Borough had been struggling to deliver net additional office space and faced significant viability challenges.
- 2 In view of this, a 2023 Update has been prepared which presents an amended methodological approach to estimating future office requirements alongside considering more recent econometric forecasts. The updated approach appears to be more pragmatic and reflective of current/recent office market activity across Richmond and outer London locations more generally. It identifies a residual requirement for 22,860 sq.m of office space over the study period to 2041, which is significantly lower in scale than that identified by the earlier 2021 study. It also suggests that major mixed-use developments provide the most realistic opportunity to accommodate the type of office space sought by local businesses (i.e. small scale subdivided office units).
- 3 The 2023 Update provides a detailed analysis and discussion of office space vacancy across the Borough, and how the high levels of vacancy that currently characterise the market should be reflected in planning policy in the context of encouraging equilibrium and optimum market conditions. It recommends a notable change in approach, concluding that the short-term efficient operation of the office market in the Borough would not be affected if some of the Borough's existing vacant floorspace was lost; until the vacancy rate falls below 10% (it currently stands at 16.7%), losses can essentially be allowed. Indeed, within its calculations, the 2023 study effectively assumes that 21,000 sq.m of currently vacant/surplus office space is lost from the Borough's portfolio in the short term.
- 4 Despite this definitive conclusion presented in the 2023 ELPNA Update, the Council's proposed approach through the emerging Local Plan is to maintain its strict 'no net loss of office floorspace' policy which features in the adopted Local Plan but has proved to be wholly ineffective over recent years, with the overall stock of office space gradually declining. This approach is no longer justified by the Council's own latest employment evidence and therefore cannot be considered sound.

3.0 **Review of office supply**

- 3.1 This section reviews the latest office supply position in LB Richmond and considers the rationale for designating the Independence House site as a Key Business Area, and whether this still remains valid.
- 3.2 It then compares this identified future/pipeline supply against the latest office requirement for LB Richmond summarised in the previous section to demonstrate that there is sufficient supply available to accommodate future office needs in the Borough across the Local Plan period in both quantitative and qualitative terms.

Office Supply Review and the Independence House Designation

- 3.3 The proposal site was first reviewed within the [2013 Richmond Employment Sites and Premises Study](#) (published in March 2013) as part of the office stock within the ‘Richmond Fringe’ area. In particular, it was stated (in paragraph 6.19) that on Lower Mortlake Road there was a small cluster of offices housing William Grant & Sons in Independence House, and Endeca, Celerant, ION and Tourwise in Avalon House.
- 3.4 It was then suggested in paragraph 6.20 that:
- “any site in this area is likely to be vulnerable to pressure for residential conversion. But many such locations offer reasonable quality marginal space of the sort liked by smaller local companies where cost is a critical factor”.*
- 3.5 On this basis, that evidence concluded that the Richmond Fringe area’s offer provides a diverse offering with both Grade A as well as affordable office space, and it has a number of well-located sites that should be prioritised in policy terms given that the office market demand was strong when that evidence was prepared in late 2012 and early 2013.
- 3.6 Following the national introduction of permitted development rights in Spring 2013, the Borough introduced an [Article 4 Direction in November 2014](#) (‘A4D’) to protect 10 main office areas. The proposal site was not included within these A4D designations.
- 3.7 In August 2015, the Borough published the Assessment of [Office Stock in Richmond upon Thames](#) aiming to inform a new A4D as well as emerging planning policy at that time (this was eventually adopted in 2018). In that context, the 2015 evidence provided a high-level assessment of the ‘Lower Mortlake Road cluster’ and suggested that the area should be protected through an A4D. In particular, it was suggested that those office buildings that had not yet been subject to a prior approval (including Independence House with reference LMR2) were relatively modern and of high-quality stock which should be protected. The assessment was undertaken at a high level, based primarily on the occupation rates of the buildings and their condition at the time.
- 3.8 As a result, the Borough introduced a new [Article 4 Direction in July 2016](#) to remove permitted development rights for change of use from office to residential within various office areas including the proposal site. In addition, Independence House was designated as a ‘Key Office Area’ in the Local Plan Review 2015-2018 (adopted in July 2018) and since then it has been subject to LP Policy 41 (paragraph 1.3). Most recently, in July 2022, the site

was also subject of the latest [Modification of Article 4 Direction](#) (Site 37) which continued to protect the proposal site from change of use to residential. Through this modification the Secretary of State removed protection from 5 sites that had already granted permission to residential. Apart from that, there was no further evidence review undertaken by the Council of the Borough's office stock or market signals to inform the 2022 A4D.

- 3.9 Synthesising the above, the Publication Draft Local Plan has taken forward a legacy designation in relation to Independence House that, as an office premises, was last objectively assessed in 2015 – some eight years ago – when the office market was relatively strong in Richmond. Since then, the market has undergone significant structural change and the building has been vacant for the last 3 years despite an active marketing strategy that has sought to re-occupy the building. These changes do not appear to be reflected within the Council's proposed Local Plan policy which seeks to roll forward an historic policy designation without appropriate, up-to-date supporting evidence.

Future Office Supply

- 3.10 For the purposes of our analysis, the future pipeline of office supply in LB Richmond comprises a number of different sources, including:

- 1 Extant (unimplemented) planning permissions;
- 2 Emerging Local Plan allocations; and
- 3 Potentially other opportunities for providing new office space such as through the new Use Class Order and E Class flexibility combined with decreasing retail space in town centres.

- 3.11 Each of these sources of supply are discussed in turn below. This represents a more comprehensive and realistic view of future office supply than considered by the 2023 ELPNA which looked only at extant/unimplemented planning permissions and therefore significantly underestimates the overall scale of supply that could be available to meet office needs over the plan period.

Extant Permissions

- 3.12 Based on the latest employment evidence (i.e. the 2023 ELPNA Update, Table 3.16), there is a total of 13,280 sq.m of office space associated with extant/as yet unimplemented planning permissions.

Emerging Local Plan Allocations

- 3.13 The 2023 ELPNA Update does not consider any emerging allocations within its analysis of office supply, but does indicate that office needs tend to relate to smaller-size office units with mixed-use developments offering the most realistic prospects of bringing forward such supply over the Plan period.

- 3.14 In this context, the Publication Draft Local Plan proposes that a number of site allocations could bring forward some element of new office provision (utilising terms such as 'space for local businesses', 'office', 'commercial space' or 'employment uses') alongside wider uses, across 19 mixed use allocations totalling just under 50 ha, as summarised in the table overleaf.

Table 3.1 Publication Draft Local Plan - Mixed Use Allocations that include Office Provision

Ref	Site Name	Existing Use(s)	Proposed Use(s)	Site Area (ha)
1	Hampton Square	Mix of commercial, community, social and residential uses	Mixed incl uses for local businesses	2.85
2	Platts Eyot	Business and employment uses including office, recording studios and river-related uses	Mixed incl uses for local businesses and river-related businesses	3.77
3	Hampton Traffic Unit, 60-68 Station Road	Former Police Station	Business, employment generating and other commercial or community and infrastructure uses	0.28
5	Hampton Telephone Exchange	Telephone exchange (sui generis) and associated office use	Mixed - employment, commercial or community uses and residential in upper floors and to the rear	0.13
6	Telephone Exchange	Telephone exchange (sui generis) and associated office use	Commercial, retail, office, other commercial uses and housing in the upper floors	0.17
7	Teddington Delivery Office	Royal Mail sorting office (sui generis)	Commercial, retail, office, other commercial uses and housing in the upper floors	0.06
13	Twickenham Stadium (Rugby Football Union)	National sporting stadium	Sports and Hospitality, caveating at bullet point 5 that "there is a general need for new office floorspace in the borough. In the event of an area of the site being declared surplus to requirements, the opportunity to provide for employment floorspace, such as offices, a business park or other commercial uses, should be firstly explored".	12.62
16	Twickenham Telephone Exchange	Telephone exchange (sui generis) and associated office space	Mixed-use scheme, comprising commercial / retail and residential	0.18

Ref	Site Name	Existing Use(s)	Proposed Use(s)	Site Area (ha)
17	Twickenham Riverside and Water Lane/King Street TW1 3SD/3DX	Mixed TC site - including commercial and retail uses	Mixed residential and due to its town centre location, the site could accommodate a range of commercial uses, including retail, office, cafes, restaurant/public house or hotel	1.06
18	Homebase, Twickenham Road	Retail	Resi-led mixed with offices and other commercial uses	1.5
20	Telephone Exchange, Ashdale Close	Telephone exchange (sui generis) and associated office space	Employment (such as offices) and social infrastructure or other appropriate main centre uses	0.14
21	Kneller Hall	Formerly home of the Royal Military School of Music	Resi-led mixed with educational, employment / offices and social infrastructure uses	9.72
25	Richmond Station	Railway Station (sui generis) and associated uses	Comprehensive redevelopment opportunity to provide an improved transport interchange, public realm and an appropriate mix of town centre uses. Appropriate uses include a mix of commercial and community uses, to include retail, offices/workspace and leisure/community use, together with residential on upper floors	1.96
26	Former House of Fraser	Retail	Mixed including retail, offices and leisure/community use (note: already subject to extant permission so not included in this assessment)	-
29	Homebase, Manor Road, East Sheen	Retail	Resi-led mixed with offices and other commercial uses	1.84
32	Kew Retail Park	Retail	Resi-led redevelopment of the site with a range of commercial uses, including retail, offices (with the provision of affordable workspaces), and leisure	3.91

Ref	Site Name	Existing Use(s)	Proposed Use(s)	Site Area (ha)
35	Stag Brewery, Lower Richmond Road, Mortlake	Former brewery	Comprehensive redevelopment of the site. An appropriate mix of uses, particularly at ground floor levels, should deliver a new heart and centre for Mortlake. The provision of an on-site new 6-form entry secondary school, plus sixth form, will be required. Appropriate uses, in addition to educational, include residential (including affordable housing), employment, commercial such as retail and other employment generating uses, health facilities, community and infrastructure facilities (such as a museum), river-related uses etc	8.77
36	Mortlake and Barnes Delivery Office, Mortlake	Royal Mail Delivery Office	Employment or other commercial and retail uses in this part of Mortlake, within the Council's Class E to residential Article 4 Direction (Site 48). Such provision should create an attractive frontage to the High Street	0.08
37	Telephone Exchange and 172 – 176 Upper Richmond Road West, East Sheen	Telephone exchange	Appropriate land uses for the whole site include employment and commercial uses as well as community and social infrastructure uses. A mixed-use scheme with housing in upper floors and to the rear could be considered	0.44
Total Area				49.48

Source: London Borough of Richmond upon Thames, Publication Draft Local Plan (June 2023)

3.15 Given that these Local Plan allocations seek to provide flexibility, there is no quantitative indication about how much office floorspace could realistically come forward and be delivered across these mixed-use site allocations. For the purposes of our analysis therefore, we have conservatively assumed that just 5% of the above identified land for mixed uses (i.e. 2.47 ha of the total 49.48 ha) could accommodate office uses across the Local Plan period. This could result in a total of 32,780 sq.m of office space⁴ as a broad indication.

Other Opportunities

3.16 The 2021 ELPNA suggests (in paragraph 7.28) that there is also scope to re-use high street retail supply for new, small-scale office provision. Given the structural changes currently underway within our high streets, it is likely that some redundant retail property could become available and could be suitable for office use particularly under the new Use Class Order. However, this remains difficult to quantify with any degree of accuracy, so no specific allowance has been made here.

Synthesis

3.17 Synthesising the above, we estimate that the Borough’s emerging office floorspace supply could total at least 46,060 sq.m, of which 13,280 sq.m relates to extant planning permissions and 32,780 sq.m to a conservative assumption that just 5% of the proposed allocated land for mixed-use development could deliver some form of office space.

Demand/Supply Balance

3.18 As noted in section 2.0, the 2023 ELPNA Update identifies an office floorspace need figure of 36,140 sq.m for the Borough over the study period to 2041. Compared against a total pipeline of 46,060 sq.m, this results in a surplus of 9,920 sq.m across the Local Plan period as presented in the table below.

Table 3.2 Office Demand/Supply Balance across the Local Plan Period (sq.m)

	Floorspace (sq.m)
Office Requirement (2023 ELPNA)	36,140
Office Supply (Lichfields analysis)	46,060
Office Surplus	+9,920

Source: London Borough of Richmond upon Thames, Employment Land and Premises Needs Assessment Update (2023) / Lichfields analysis

3.19 It is likely that this surplus could be even higher if the proposed mixed use allocations are able to deliver a greater quantum of office floorspace than has been (conservatively) assumed for the purposes of this analysis⁵, and if additional office supply were to come forward within the Borough’s town centres through greater flexibility associated with the E Use Class.

⁴ This assumes that 50% of that space is delivered within town centres (given the location of the designations) with a plot ratio of 2.0 and the remainder across the wider Borough with a plot ratio of 0.65. The latter aligns with the plot ratio suggested in the 2023 Update for industrial uses and business parks.

⁵ In fact, if just 3.5% of the allocated land for mixed-use development delivers office space, this could still be adequate to meet the identified demand across the Plan period.

- 3.20 The implication is that sufficient office floorspace supply is likely to become available to accommodate office needs in full across the Borough over the new Local Plan period. In particular, the Council proposes a range of mixed-use allocations which the 2023 ELPNA Update suggests represent the most suitable and realistic opportunity to bring forward modern office space that caters for market requirements (i.e. small scale units). With this in mind, it is not clear why the 2023 ELPNA did not have some regard to future office space associated with these proposed mixed-use allocations within its calculations of future office requirements, and we believe this represents a key deficiency within the Council's evidence.
- 3.21 In this context, the loss of Independence House from the Borough's office inventory – equivalent to c.1,400 sq.m based on the consented refurbishment scheme - would have no material impact on the Borough-wide demand/supply balance for office space.

Office Availability/Vacancy

- 3.22 The 2023 ELPNA Update reports that office availability across the Borough totals 54,890 sq.m, which represents 24.3% of the total office stock as recorded by VOA for 2022/23 (i.e. 226,000 sq.m). In other words, just under a quarter of all office space in the Borough is currently being marketed as available, which significantly exceeds a 'normal' vacancy rate of around 7.5% for an efficiently functioning market.
- 3.23 This available office stock is distributed across the Borough, including within its town centres, areas protected by the Article 4 Direction and in other more dispersed locations. The 2023 ELPNA Update suggests that one of the reasons for increased availability over recent years is the introduction of the Article 4 Direction which has prevented (or at least, made harder to achieve) change of use of poorer quality office space to residential.
- 3.24 This Borough-wide trend is also echoed at a more localised level within Richmond town centre which is currently characterised by a chronic over supply of office floorspace, particularly Grade A space which tends to drive occupier demand. This is described in more detail in the following section, and within the accompanying Marketing Report prepared by local agents Stirling Shaw.
- 3.25 Whilst this space remains available and unoccupied, it is likely to have a stymieing effect on other new office development from coming forward (for instance across the proposed mixed use allocations) amidst viability concerns amongst investors and developers. It also adds to the immediate pipeline of office supply, and prompted the 2023 ELPNA Study to conclude that in the short-term, the efficient operation of the office market in the Borough would not be affected if some of its vacant office floorspace was lost.

Summary

- 3.26 The key points of the above analysis are summarised as follows:
- 1 The Publication Draft Local Plan has taken forward a legacy designation in relation to Independence House based on an assessment undertaken eight years ago. Since then, the market has undergone significant structural change and the building has been vacant for the last 3 years despite an active marketing strategy that has sought to re-occupy the building. It's proposed designation as a Key Business Area does not reflect up-to-date market signals evidence and is therefore not justified.

- 2 The Borough's pipeline of office space supply is more than sufficient in quantitative terms to accommodate future office needs identified by the Council's latest ELPNA (published in April 2023). The Council's proposed mixed use allocations appear to offer good prospects to bring forward the type of office product particularly sought after by local businesses, i.e. high quality, small scale office provision/units.
- 3 Most immediately, the Borough is currently characterised by a significant over supply of office space, with Richmond town centre in particular accommodating high levels of office vacancy. Whilst some of this available space will be able to meet short term needs, the Council's own evidence concludes that the efficient operation of the office market in the Borough would not be affected if some of its vacant office floorspace was lost over the short term. In fact, the current levels of over-supply are likely to stymie the delivery of new office space more aligned to current and future market requirements.

3.27 Taken together, the continued designation of Independence House as a Key Business Area in the Publication Draft Local Plan is not supported or justified by the Council's evidence base nor the latest market signals presented in this report (and the accompanying Marketing Report). The loss of office floorspace at Independence House would have no material effect upon the overall demand/supply balance for office space across the Borough over the new Local Plan period, nor on the performance of the current office market in Richmond (as explored further in the following section).

4.0 Role and contribution of Independence House

4.1 This section considers the current role that Independence House plays within the local office market in Richmond and its potential future contribution. It largely draws upon market intelligence and signals data provided by Stirling Shaw as the commercial property agent for Independence House, and as presented in more detail within their accompanying Marketing Report.

4.2 **The office market in Richmond is clustered within the town centre, with demand strongest for prime accommodation close to key amenities including the train station. The shift to more flexible working post-Covid has noticeably dampened occupier demand.**

- a At a national level, the UK office market is still recovering from the effects of the Covid-19 pandemic, with the national outlook remaining less positive in Q4 2022, according to the RICS Commercial Property Market Survey. A significant fall in occupier demand was cited across offices (net balance -29%), while the availability of leasable space continued to increase across the sector.
- b The prime office market in Richmond town centre orientates around the George Street - Eton Street - Red Lion St one-way system, extending down The Quadrant towards the train station. Demand is focused on offices located directly in the town centre that are close to the train station and local amenities such as The Green and Richmond Riverside.
- c The introduction of the E use class has had a positive impact with office premises now attracting occupational demand from a wider range of use classes than had been the case before. However, in terms of more traditional office occupiers, the post-Covid shift towards more flexible working and home working in particular has dampened demand in outer London commuter towns such as Richmond, with occupier trends defying initial expectations of an increase in demand as companies reconciled their desk requirements to save costs. Existing companies in Richmond such as TRO and Notonthehighstreet.com have instead elected to move out of Richmond and into central London in an attempt to retain / attract high quality staff.

4.3 **Grade A office take-up has been declining over recent years and secondary, edge of town locations continue to remain empty as selective tenants target “best in class” offices in the ‘core’ town centre.**

- a Take-up of prime, Grade A office space in Richmond town centre has been reducing over the last few years, from a total of just over 29,000 sqft in 2020 to just 16,000 sqft in 2022. This equates to an average of 22,232 sqft per year (over the last 3 years).
- b A particularly noticeable trend has been a ‘flight to quality’ as tenants seek to acquire high quality offices in the right location in an attempt to attract high calibre staff back to the office environment. For instance in 2022, town centre offices with full amenities, such as Frameworks House, absorbed the majority of

tenant demand and only when it was fully let did tenants seek ‘next best’ offices in the town centre such as Evergreen Studio and Greyfriars. Transactional evidence suggests that until the best Grade A offices in the core town centre are fully let, other comparable Grade A offices in secondary, edge of town locations will remain vacant.

4.4 **After 35 years, the owner occupiers of Independence House relocated to higher quality office premises in Richmond town centre in early 2020 leaving behind outdated, functionally redundant office space in an ‘out of town’ location.**

- a Independence House was constructed in the mid 1980’s and was owned and occupied by William Grant & Sons (WGS) as their London HQ. By 2019 the building was extremely dated and beyond economic repair and as such required a full ‘back to internal frame’ refurbishment. In early 2020 WGS moved into new premises closer to the town centre - The Old Court House, Parkshot - and Independence House has been vacant ever since.
- b Independence House is the last office building along the A316 from Richmond town centre and occupies an ‘out of town’ location.

4.5 **Despite successfully achieving planning consent to refurbish Independence House to Grade A standard, the scheme is not financially viable to implement in the current market.**

- a Since the building was vacated by WGS in December 2019, every effort has been made to maximise its commercial/employment generating opportunities, including obtaining planning consent to expand and fully refurbish the whole building in order to appeal to current market demand and requirements.
- b At the time of writing, due to severely escalating build costs and ‘open ended’ marketing/vacancy periods, it remains financially unviable to speculatively implement the consented office scheme.

4.6 **There is a chronic over supply of Grade A offices in Richmond town centre, equivalent to nearly 12 years’ average take-up. Independence House cannot compete with other available accommodation due to its inferior location.**

- a Richmond town centre’s office market is currently characterised by a chronic over supply of Grade A office space; availability is currently estimated at around 263,000 sqft of floorspace that is either currently available to let with immediate occupation or associated with consented schemes that are scheduled to be delivered to the market in the next 12 – 18 months. Based on average take-up over the last three years, it could take nearly 12 years for the current quantum of supply to be absorbed⁶. There is also estimated to be a further 65,800 sqft of Grade B office space available to let within Richmond town centre.
- b Independence House (in its consented scheme form) represents around 6% of this pipeline supply and is the only Grade A office building available to let located outside of the Core Richmond Office Market/Richmond town centre. Given the

⁶ It should be noted that this figure of 12 years differs from the earlier reference in para 2.17 to five years as it relates to different supply data and geography.

preference noted above for a core town centre location, Independence House has, and will continue to, struggle to compete with the rest of this supply, all of which offers a more attractive proposition to office occupiers.

- c With regard to office market geography, it is important to note that Richmond town centre does not operate within the same occupier market as other parts of the Borough; whilst occupiers looking to acquire offices in Richmond town centre frequently include other towns with similar characteristics in adjacent Boroughs in their search (such as Chiswick, Hammersmith and Wimbledon), rarely do 'Richmond' requirements also consider secondary towns in the Borough such as Twickenham, Kingston or Hampton as alternative locations to Richmond. This means that over-supply and vacancy in Richmond town centre is rarely absorbed by excess demand for offices elsewhere in the wider Borough.

4.7 **Alternative E Class uses for Independence House have been explored but ultimately deemed to be unsuitable.**

- a The introduction of E Class use in September 2020 provided the opportunity to explore alternative occupiers for Independence House, beyond traditional office occupiers. During the period of marketing, some interest has been generated from a range of alternative E Class uses including nursery providers, but due to a lack of sufficient external space the building is not suitable.
- b There has also been interest from serviced/co-working office providers, but feedback is that their preference is for central Richmond and the management agreements offered are incompatible with WGS's development model and Management Board.

4.8 **Evidence from an extensive period of marketing indicates no realistic prospect of Independence House becoming re-occupied in the foreseeable future.**

- a Independence House has been subject to an extensive marketing campaign since 2020. This attracted a good level of interest; during the period of marketing a total of 15 direct enquiries were received from a variety of operators including standard/traditional office occupiers, serviced office operators and nursery providers. Only two were followed through with actual viewings but no offers were received to rent any of the available space.
- b Whilst the building has the potential to be let to an E Class occupier, evidence from this extensive period of marketing, alongside the market signals and trends described above, indicates no realistic prospect of Independence House becoming re-occupied in the foreseeable future.

Summary

4.9 Independence House makes no contribution to the Richmond local economy or office market and has not done for a number of years since owner occupiers WGS vacated the building in December 2019.

4.10 Its location on Lower Mortlake Road – an 'out of town' location in office market terms – is no longer attractive to office occupiers seeking accommodation in Richmond town centre. The building requires extensive refurbishment to bring it up to the minimum standard

required by occupiers, although in the current market this remains financially unviable to proceed with.

- 4.11 The local office market has undergone significant change over recent years, with the post-Covid shift towards more flexible working having a noticeable impact on subduing demand for office space in outer London commuter locations including Richmond.
- 4.12 Take-up of Grade A office space has been declining in Richmond town centre over recent years, and more secondary, edge of town/out-of-town premises continue to remain empty as selective tenants target “best in class” offices in the ‘core’ town centre which benefits from crucial amenities including the train station.
- 4.13 This has resulted in a chronic over supply of Grade A offices in Richmond town centre, which could take nearly 12 years to absorb based on recent average take-up rates. This significant quantum of supply – all of which is located within Richmond’s ‘core’ town centre - offers clear competitive advantages over Independence House.
- 4.14 Independence House has been subject to an extensive marketing campaign for nearly three years which has failed to attract an occupier. Market signals evidence indicates no realistic prospect of Independence House becoming re-occupied in the foreseeable future.

5.0 Conclusions

- 5.1 This report reviews the Council's employment evidence and considers this in the context of up-to-date market and other evidence to accompany representations made to the London Borough of Richmond upon Thames Publication Draft Local Plan (Regulation 19) consultation, which seek the exclusion of Independence House at 84 Lower Mortlake Road, Richmond from a proposed 'Key Business Area'.
- 5.2 The conclusions of the assessment are set out below:
- 1 The Council's latest employment evidence, published in April 2023 as part of the ELPNA Update, identifies a requirement for 22,860 sq.m of office space over the study period to 2041, which is **significantly lower in scale than that identified by the earlier 2021 ELPNA study**.
 - 2 This updated evidence acknowledges the **high vacancy rates** that currently characterise the Borough's office market, and **recommends a notable change in approach through planning policy to respond to this**, concluding that **the short-term efficient operation of the office market in the Borough would not be affected if some of the Borough's existing vacant floorspace was lost**. Indeed, the evidence implies some loss of office space being required to help the office market reach equilibrium, and so be able to function more effectively. The ELPNA's suggestion that this short term loss of office space should only be allowed outside of Key Office Areas/Key Business Areas is not justified by evidence nor the market reality that some of these areas (including Independence House) make no meaningful contribution to the Borough's economy and office market.
 - 3 Despite this definitive conclusion, the Council's proposed approach through the emerging Local Plan is to maintain its strict 'no net loss of office floorspace' policy which features in the adopted Local Plan but has proved to be wholly ineffective over recent years, with the overall stock of office space gradually declining. **This approach is no longer justified by the Council's own latest employment evidence and therefore cannot be considered sound**.
 - 4 **A more flexible and pragmatic approach is now required through proposed Policy 23** in order to respond to the significant supply of functionally redundant office space that exists across the Borough's office market and to more effectively encourage provision of high quality accommodation that better meets the needs of local businesses. An overly-protective approach towards retaining existing surplus office accommodation – such as Independence House – risks stymieing the ability of the market to deliver future office space of the type and location that is more aligned to modern business needs over the next Local Plan period. This runs counter to the provisions of National Planning Policy Framework (NPPF) paragraph 82 which requires policies to *"allow for new and flexible working practices"*.
 - 5 Through its proposals for Independence House as a Key Business Area, the Publication Draft Local Plan has taken forward a legacy designation that was based on an assessment last undertaken eight years ago. Since then, the market has undergone significant structural change and the building has been vacant for the last three years. **The continued designation of Independence House as a Key Business Area**

in the Publication Draft Local Plan is not supported or justified by the Council's evidence base nor the latest market signals presented in this report.

- 6 The Borough's pipeline of office space supply is more than sufficient in quantitative terms to accommodate future office needs identified by the Council's latest (2023) ELPNA. The Council's proposed mixed use allocations appear to offer good prospects to bring forward the type of office product particularly sought after by local businesses, i.e. high quality, small scale office provision/units. **The loss of office floorspace at Independence House would therefore have no material effect upon the overall demand/supply balance for office space across the Borough over the new Local Plan period, nor on the performance of the current office market in Richmond.**
- 7 Moreover, **Independence House makes no contribution to the Richmond local economy or office market** and has not done for a number of years since owner occupiers WGS vacated the building in December 2019. The building's location on Lower Mortlake Road – an 'out of town' location in office market terms – **is no longer attractive to office occupiers** seeking accommodation in Richmond town centre. The building requires extensive refurbishment to bring it up to the minimum standard required by occupiers, although in the current market this remains financially unviable to proceed with.
- 8 Declining take-up of Grade A office space in Richmond town centre over recent years has resulted in a chronic over supply, which could take nearly 12 years to absorb based on recent take-up rates. This significant quantum of available supply – all of which is located within Richmond's 'core' town centre – offers clear competitive advantages over Independence House. **Market signals evidence, including an extensive marketing campaign for nearly three years, indicates no realistic prospect of Independence House becoming re-occupied in the foreseeable future.**

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84 LOWER MORTLAKE ROAD, RICHMOND, TW9 2HS

MARKETING REPORT



Instructions received from William Grant & Sons

This report is for the exclusive use of the named party, their representatives and the planning Department at Richmond Council.

June 2023

Introduction

Further to your instructions the subject property was inspected by Stirling Shaw in order to commence a full marketing campaign to let the property either in its existing condition as E Class offices or as other E class employment floorspace.

Stirling Shaw

With over 20 years combined experience in South-West London, Stirling Shaw are specialist commercial property consultants. Based in Richmond, they have extensive expertise in sales and lettings across all commercial sectors and the company adopts a proactive, 'out of the box' approach to targeted marketing that has proved to be highly effective.

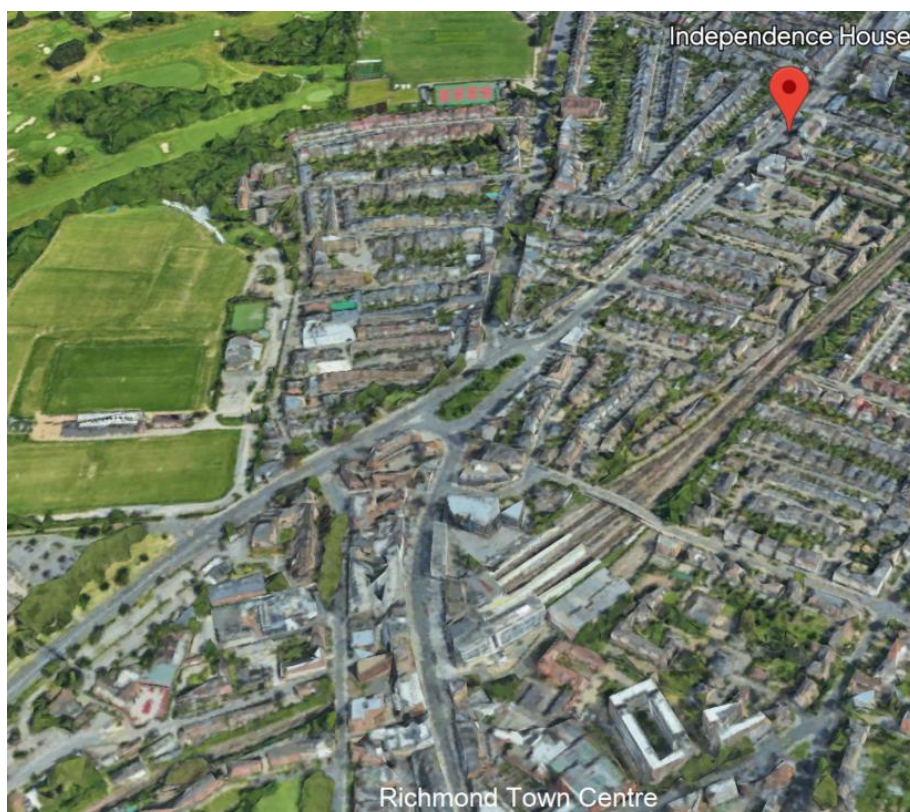
It was agreed that it was not necessary to appoint 2 agents as Stirling Shaw are Richmond experts; they have an unrivalled knowledge of the property and the local office market and with the benefit of multi-media internet advertising, they would be able to cover local, central London and national enquiries that may arise.

Location

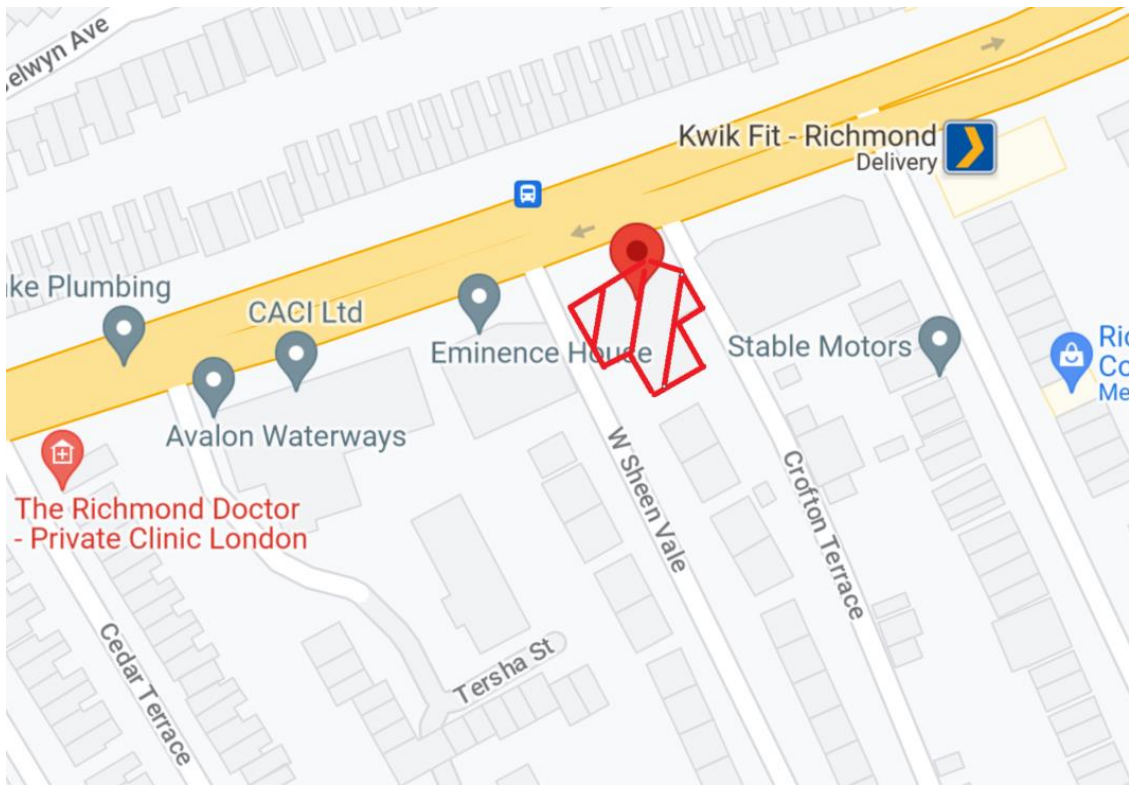
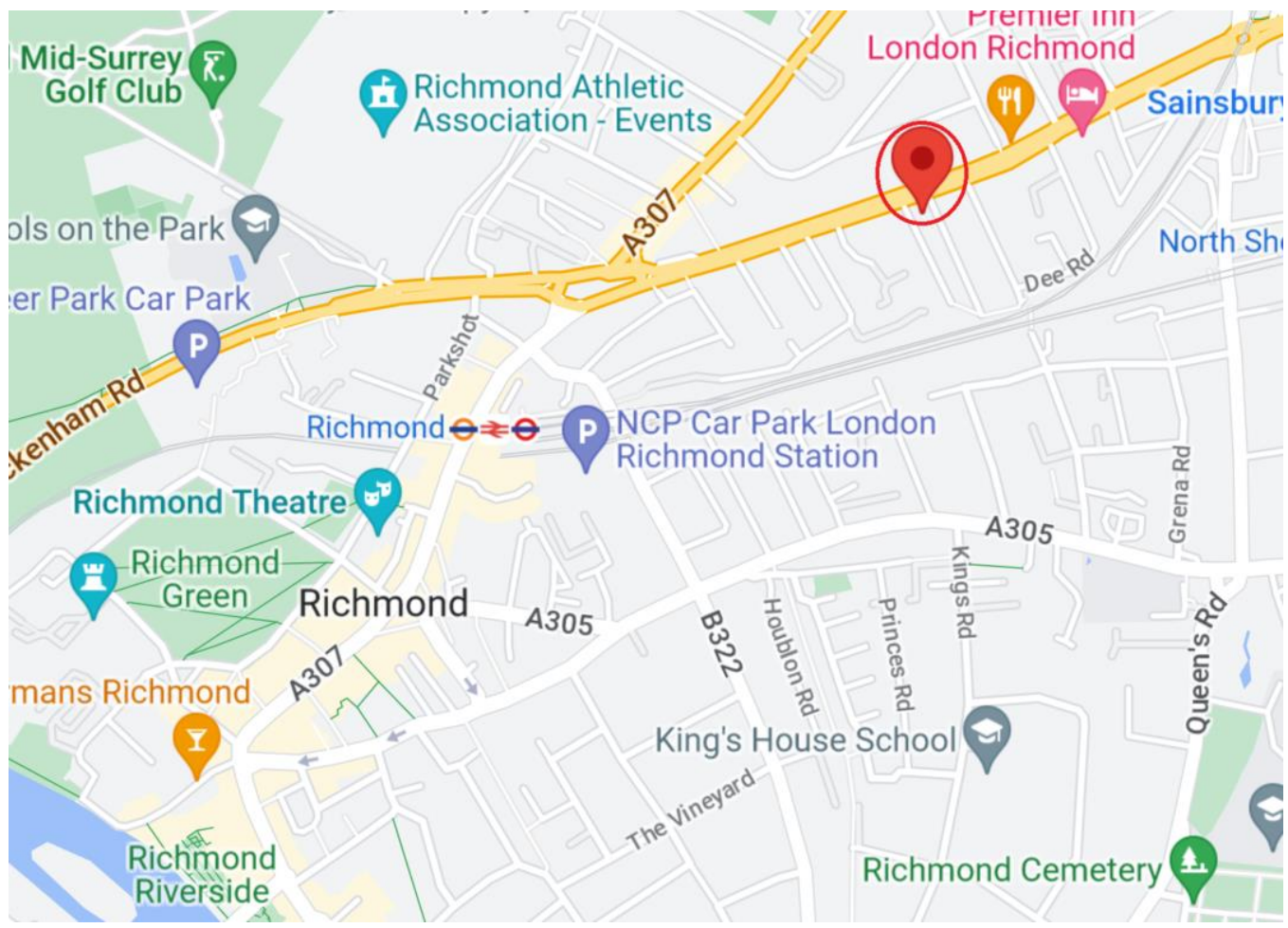
Richmond is one of the most affluent London suburbs known for its high-quality amenities and specialist retailers including restaurants, cafes and bars, as well as a range of local schools. The parks and River Thames are a further draw for locals, employers and tourists alike.

It is a densely populated and attractive residential area benefitting from excellent transport links via overland and underground train lines from Richmond Station, which provide access to central London within 20 minutes. The adjacent A316 provides direct and convenient access to the M3 and M25.

The subject property is situated on Lower Mortlake Road (A316), approximately 0.5 miles from Richmond Town Centre. Lower Mortlake Road is a well-established location, predominantly occupied by residential and tertiary retail units. Independence House is the last office building along the A316 from Richmond Town Centre and is considered to be in an 'out of town' location.



The property occupies a prominent corner position at the junction of Lower Mortlake Road, Crofton Terrace, and W Sheen Vale, with access to the rear car park off Crofton Terrace.



Description

The subject property comprises self-contained offices on ground, first, second and third floors, with ancillary storage in the basement. Each floor can be accessed independently from a central stairwell as well as a lift core that serves all levels. In addition to the 15 surface parking spaces at the rear, the property benefits from 22 secure spaces in the basement, accessed via a ramp at the rear.

(Appendix 1 – Photos)

The net internal areas are as follows:

	Sq M	Sq Ft
Ground	386.00	4,154
First	397.80	4,282
Second	279.10	3,004
Third	158.60	1,707
Total	1,103.50	12,836

Background History 1985 – 2021

The building was constructed in the mid 80's and was owned and occupied by William Grant & Sons (WGS) as their London HQ. By 2019 the building was extremely dated and beyond economic repair and as such required a full 'back to internal frame' refurbishment. After almost 35 years of staff walking up and down the A316, WGS elected to move closer to the town centre and purchased the Old Court House, Parkshot.

WGS moved into The Old Court House in Jan 2020 and Independence House has been vacant ever since.

2021 Planning Consent:

In 2019 it was agreed that prior to re-letting, the property required a full refurbishment in order to provide Grade A offices that would appeal to good quality tenants and compete with similar Grade A offices in the Town Centre. WGS appointed a full design team to review the potential to increase the floor area / employment space and provide onsite amenities that would compete with other similar offices available to rent in the town centre, namely [Frameworks House](#) , [Evergreen Studio](#) , [Greyfriars Studio](#) and [Holbrook Studio](#)

Planning consent (Ref: 20/3359/FUL) was eventually obtained in Feb 2021 to extend the existing 12,836 sqft to 15,467 sqft and fully refurbish to Grade A spec, including 3 x roof terrace, state of the art cycling/changing facilities, gym, ERV recharging points, flexible/divisible space and a co working reception area. (Appendix 2 – Consented Scheme)

WGS's senior design team were then instructed to proceed to RIBA 3 and provide an updated cost plan and residual appraisal to evaluate the financial viability of the scheme in the prevailing market. In preparation of implementing the consent, the subject property was also completely stripped back to frame internally.

In 2021, the project budget was forecast to be £5.8m to undertake the full refurbishment, based on construction costs of £250 psf and professional fees of 13.40%. The prevailing occupational market was extremely thin with very few live tenant requirements and WGS expressed grave concerns about their financial exposure to open ended void periods. In the absence of a pre-let or strong indications

that the building would let within 6-9 months of PC, WGS were facing a potential loss of over -£700,00 if they had continued with a speculative scheme (Appendix 3 – Residual Appraisal). They therefore elected to delay implementing the scheme until market conditions improved or at least 50% of the building was signed up on a pre let. Stirling Shaw were instructed to continue to advertise as widely as possible and consider all E Class users as potential occupiers.

At the time of writing this report, due to double-digit inflation, the build costs of the consented scheme have risen from £250 psf to £350 psf, whilst rents have remained stagnant and yields have softened. To implement a speculative scheme in the current market WGS could face losses of over £2.7m; this has rendered the scheme completely financially unviable for the foreseeable future.

“double digit inflation build costs, open ended marketing voids and stagnant rents have rendered the scheme not financially viable to implement”

Market Overview

At the start of 2020 the market was beginning to see the grass roots of an increase in occupier demand across all sectors as the economy finally settled down after Brexit. By Q2 2020 however, the Covid pandemic had brought an immediate halt to all hope of recovery and it caused a dramatic change to working environments; as the nation was forced to comply with Covid restrictions, companies had to rapidly adapt to homeworking as a full-scale closure of commercial premises took place.

As workers emerged from lock down, companies recognised that they could sustain the same level of office productivity whilst retaining a proportion of staff to work from home; this provided an opportunity to review their occupational requirements and potentially reduce their overheads.

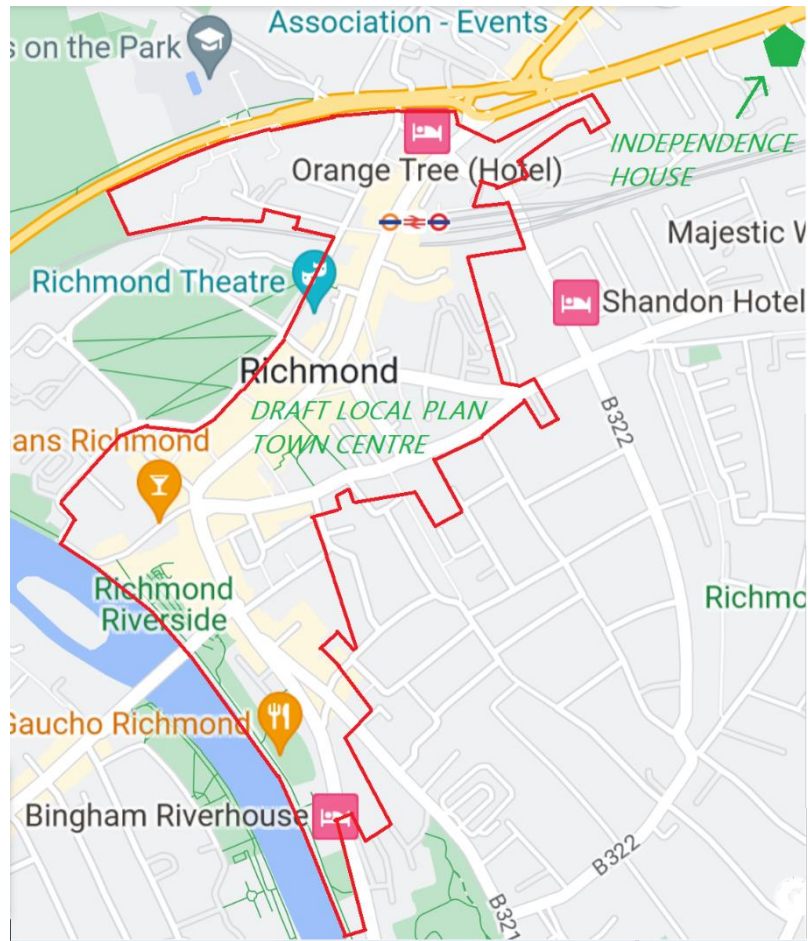
The introduction of the E class use has also had a positive impact on the commercial landscape as landlords have been able to cut through the planning ‘red tape’ and access occupational demand from a wider range of different use classes. Offices in tertiary ‘edge of town’ locations also experienced a spike in demand in particular from nursery providers (former D1) who were able to operate under the new E class.

Post covid, there was an expectation that there would be a noticeable increase in demand for offices in commuter towns such as Richmond due to companies reconciling their desk requirements and decentralising from London to save costs. However, this did not transpire and indeed the opposite appeared to be happening. Having rationalised their desk requirements, existing companies in Richmond such as TRO and Notonthehighstreet.com elected to move out of Richmond and into central London in an attempt to retain / attract high quality staff.

Demand for Richmond Town Centre Grade A Office Use

The prime office market in the proposed Draft Local Plan Town Centre Area orientates around the George Street - Eton Street - Red Lion St one-way system, extending down The Quadrant towards the train station. Expansion of the town centre has always been severely restricted over the decades due to the natural constraints of being immediately adjacent to Richmond Park, the River Thames and the A316 South Circular. As such, demand has focused on offices located directly in the town centre that are close to the train station and local amenities such as The Green and Richmond Riverside.

Occupiers looking to acquire offices in Richmond town centre frequently include other towns with similar characteristics in adjacent boroughs, such as Chiswick, Hammersmith and Wimbledon in their search, as these towns offer comparable transport, amenities and demographics to Richmond. Rarely do 'Richmond' requirements also consider secondary towns in the Borough such as Twickenham, Kingston or Hampton as alternative locations to Richmond, which is an important factor to consider when analysing 'supply and demand' for offices in the Richmond Borough as a whole.



“over-supply and vacancy in the wider Borough is rarely absorbed by excess demand for offices in Richmond town centre”.

Over the last 3 years, take-up for prime, Grade A offices in the Draft Local Plan Town Centre Area only (see red outlined area above) was as follows:

2022,	16,006 sqft
2021	21,673 sq ft
2020	29,017 sqft

“the average Grade A take up in the Draft Local Plan Town Centre over the last 3 years was only 22,232 sqft” pa

(Appendix 4 Lettings Schedule)

Transactional evidence shows that there has been a noticeable 'flight to quality' as tenants seek to acquire high quality offices in the right location in an attempt to attract high calibre staff back to the office environment. In 2022, town centre offices with full amenities, such as Frameworks House, absorbed the majority of tenant demand and only when it was fully let did tenants seek 'next best' offices in the town centre; enquiries for similar buildings such as Evergreen Studio and Greyfriars only picked up after Frameworks House was fully let. This would suggest that until the best Grade A offices in the Draft Local Plan Town Centre Area are fully let, other comparable Grade A Offices in secondary, edge of town locations will remain vacant.

A prime example of this is Holbrook Studio, located just off Hill Rise; this Grade A building was fully refurbished in 2018, and despite offering a very high spec fitout, the 10,000 sqft ground floor suite still remains vacant after 5 years of marketing with 3 agents appointed.

“...offices in secondary, edge of town locations continue to remain empty as selective tenants target best in class offices in the town centre”

In addition to standard Grade A office tenants, co-working/flexi space operators have been attempting to break into the Richmond market and gain a market share of the growing demand for short term fitted offices. The challenges with this model is that operators often require 'management agreements' whereby rent is substituted for profit share; historically this has proved difficult for mortgage backed LL's to facilitate as both income stream and asset values can be severely compromised; aside from Arevo and Regus, the only new serviced office entrant has been the arrival of Boutique Office at Sovereign Gate. This 20,000 sqft former police station was converted to Grade A offices in 2019 and after 4 years of vacancy the LL finally acquiesced to undertaking another full refit to provide Boutique's required spec.

Due to the very tight geographical constraints of Richmond, virtually all the Grade A and B offices are located within the area identified by the Draft Local Plan Town Centre Area– Avalon House and Independence House are the only 2 large office buildings located 'out of town'.

Whilst there is a premium rent for prime locations such as Richmond Riverside, vacancy rates, rent levels and demand for Grade A offices is largely determined by the quality of the fit out and amenities. There is less demand for Grade B offices due to the fact that Richmond attracts high calibre occupiers who are prepared to pay high rents for top quality offices that reflects their brand. It is not the case that by offering a lower quality fit out at a lower rent, Grade B buildings will let, as tenants will opt for the better quality buildings. This is evidenced by Ambassador House, which is located in the Town Centre on Paradise Road; the building had a 'light touch' refurb and was marketed at £49.50 psf, discounted from £55 psf to reflect the Grade B fitout. The building has been widely marketed for over 2 years and is still vacant.

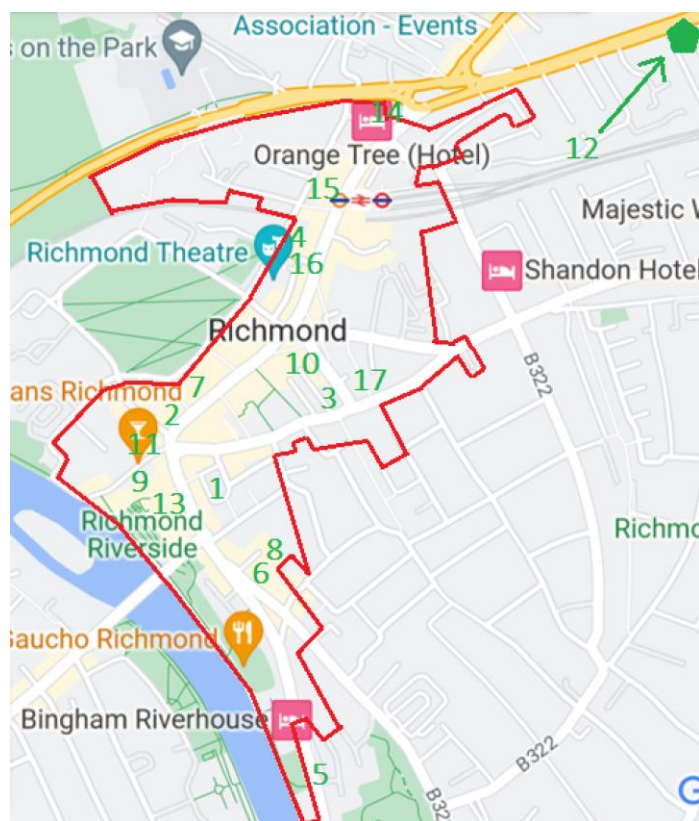
Demand for alternative Uses

The introduction of E Class use in Sept 2020 provided Landlords the opportunity to explore alternative occupiers for office buildings.

Nursery operators, gyms, schools and medical providers in particular sought out previously unobtainable premises in Richmond and were able to trade under E Class, although each sector has its own punitive occupational and operational requirements in comparison to offices; for instance, nursery's and schools require outdoor space whilst gym and medical operators can only pay between £30 - £40 psf, for a Grade A office that could otherwise achieve £55 psf.

An example of this would be a requirement for 5,000 sqft in Richmond from an established operator providing high quality child care that came out in July 2022. They did not require a town centre building as their model works on being in close proximity to densely populated residential areas. The subject property was considered to be in the right 'edge of town centre' location and was easily accessible on foot from the surrounding residents, but it was not suitable due to lack of external space needed for a secure play area. Whilst there is external space to the rear of Independence House, it was not feasible to accommodate both a play area and parking for the remaining 10,000 sqft. The operator is now under offer at another E Class building on the outskirts of Richmond.

Supply and Availability There is approximately 263,000 sqft of Grade A offices either currently available to let with immediate occupation or are consented schemes that are scheduled to be delivered to the market in the next 12 – 18 months:



CURRENT GRADE A SUPPLY CHAIN:

1 One Castle Yard	20,645
2 80-82 George Street	25,000
3 Explore, Paradise Rd	43,450
4 Evergreen Studio	15,000
5 Richmond Brewery Stores	6,500
6 Holbrook House	2,274
7 Sheerwater House	2,000
8 Holbrook Studio	10,000
9 3 Water Lane	9,624
10 1 Eton Street	28,379
11 Water Lane Building	6,699
12 Independence House	15,467
13 Palm Court	17,000
14 63 Kew Road	32,500
15 Midmoor House	2,000
16 Greenside (Lloyds)	15,231
17 Peregrine House	11,202
TOTAL SQ FT	262,971

Independence House only comprises 5.88% of the total supply chain and is the only Grade A office building available to let located outside of the Draft Local Plan Town Centre Area. (see map above)

Such is the current over supply of Grade A offices in the Draft Local Plan Town Centre Area, with expected vacancy rates of 18 – 24 months and rising build costs, some schemes are even being put on hold. In addition to the subject property, [One Castle Yard](#) comprises a recently consented 20,645 sqft Grade A scheme located in the Draft Local Plan Town Centre Area which has just been put on hold by the owners until a pre let on at least 50% of the building has been secured. Keir Property have also postponed the delivery of 15,000 sqft at [Greenside](#) on Little Green, until a pre let has been secured.

There is also a considerable over supply of Grade B offices, with approximately 68,259 sq ft available to let:

CURRENT GRADE B SUPPLY CHAIN:

Ashley House	10,277
Ambassador House	23,000
Avalon House	5,764
Marcar House	2,326
Dome Building	3,847
9-11 The Quadrant	1,358
Vectra House	5,629
Onlso House	4,158
9-11 Sandycombe Road	5,200
Westminster House	4,200
Goodwin House	2,500
TOTAL SQ FT	68,259

NB: in addition to the aforementioned Grade A offices, the Grade B offices listed are also located within the Draft Local Plan Town Centre Area.

As an example of Grade B offices outside the Draft Town Centre Area, Avalon House is located adjacent to Independence House on Lower Mortlake Road; it is a multi-let purpose built office building with 5,764 sqft currently vacant and available to let. It has been widely marketed for over 2 years by national agents, Knight Frank and Bray Fox Smith, at a discounted rate of only £40 psf; as at time of writing, the letting agents reported that the offices were still vacant.

With regard to serviced offices / co working space, in addition to the recently launched 24,000 sqft at 18-20 Kew Road by Boutique, there is current application to deliver a further 20,000 sqft at London House, 243-253 Lower Mortlake Road, which is due to be determined Q3 2023.

“... Based on the last 3 year average Grade A take up of 22,232 sqft pa, it will take ~11.8 years to absorb the current Grade A availability in Richmond town centre”

Suitability of the Subject Property for Office and other E Commercial Use

The property is located in a tertiary commercial area, 0.5 miles outside of Richmond Town Centre, and predominantly surrounded by residential accommodation.

Whilst the building has historically been used for offices and would be conducive to future office occupiers, it requires a full ‘back to frame’ internal refurbishment; this has been estimated to now cost £7.5m to undertake, based on build costs of £350 psf and project posts of 10%. In consideration of the substantial over supply, estimated 11 year absorption rate of central Richmond offices and an additional 12-18 months marketing/vacancy void, it is not in any way financially viable to build out as a speculative office scheme. Similar to One Castle Yard, in the absence of at least 50% of the building being pre let, the building will remain unoccupied indefinitely.

Alternative uses have been investigated.

Nursery occupiers were targeted and interest was generated on the basis of providing ground, lower ground and first floor accommodation. Whilst the external space is limited due to the access requirements for the basement parking, there could have been a small area of circa 500 sqft allocated for outdoor play.

Co working / serviced office operators were targeted and interest was generated on the basis of providing a fully fitted ‘turn key’ product and a management agreement tenancy. This would have required WGS to fit out to the operators specification and ‘rent’ would be paid by way of a profit share after all operating costs have been covered. It would have required WGS to become a ‘co investor’ in the serviced office model, which required a level of management expertise which WGS’s Board was not capable of providing.

Marketing Strategy

We have undertaken a robust and active marketing campaign. The site was first advertised in August 2020 on a wide variety of platforms, namely:

- Highly visible ‘To Let’ board fixed to the building’s façade ordered on 15/04/21 (Appendix 5)
- In house marketing details regularly circulated to our database of applicants (Appendix 6)

- Externally advertised on national media platforms, including EACH, EG Property Link, Agents Society, LoopNet (CoStar) and Realla.
(Appendix 7 / 7A / 7B / 7C / 7D)

In order to capture all possible types of interest, the property was advertised as 'Offices' on a number of external websites, as well erecting a 'To Let' board that stated 'E Class Use Commercial Use – All Enquiries'

The property was marketed on a new lease, terms to be agreed, at £50 psf per annum exclusive, which was at a discount to prime central Richmond office rents of £57.50 psf, in order to reflect the 'out of town' location. The building was available as a whole or individual floors, which were designed to be easily divisible should a tenant only require half a floor.

During the period of marketing we received 15 direct enquiries from a variety of operators including standard office occupiers, serviced office operators and nursery providers. With each applicant, onsite viewings were provided, a full cgi pack of the proposed scheme and an invitation to have a design input on their floor space.

The first interest was received from TCC in May 2021, a global brands company looking to relocate their HQ. After 6 viewings, terms were issued for a new lease on the whole building at a rent of £50 psf. Despite continued efforts to agree terms, TCC elected not to pursue it further as they wanted a 'central location' for their HQ.

In Sept 2021 we had strong interest from The Golf Rooms, who wanted to open a co working office club to the golfing fraternity as well as offering an indoor virtual practice range. After numerous viewings they elected to pursue offices at Greyfriars Studio as it was located in the town centre, directly opposite the tube station.

2022 saw a continual flow of interest from a wide variety of occupiers. In addition to standard office tenants, we had interest from a nursery provider who expressed interest in taking the ground and first floors. Further investigations however, showed that the rear car park could not accommodate their requirements for an external play area, without cutting off access to the basement car park.

We also received numerous enquiries from serviced office operators. The majority of the parties operated on a management agreement with turnover rent, and WGS would be required to provide a full 'turn key' product. The model also required WGS to become a 'stakeholder' in the operating model, whereby they receive either a low base rent of ~ 60% of the full rental value or a 'profit rent' once all operating costs had been covered. After further consideration, the building was ruled out and no offers were received due to the 'out of town' location. S/O operators require good access to public transport and local amenities, and with The Boutique Company opening up a new centre immediately adjacent to Richmond Station, feedback from operators was that Independence House was in an inferior, tertiary location which could not compete with The Boutique Company and would not generate the required rent to justify the fit out costs. (Appendix 8 – Schedule of Interested Parties)

Marketing Conclusion

The property has been widely marketed now for almost 3 years. We have received a good level of interest which clearly demonstrates that the various marketing platforms have made the property readily accessible to both commercial agents and members of the public. Out of the 11 parties who made direct enquiries, only 2 followed through with actual viewings but no offers were received to rent any of the available space.

In consideration of the marketing campaign and research undertaken we would draw the following observations:

- There is a chronic over supply of Grade A offices in the Draft Local Plan Town Centre Area and the current supply chain stands at ~263,000 sqft of offices available in the next 12 months.
- Average take up for the last 3 years is approximately 22,000 sqft per annum
- Unless there is a dramatic increase in demand and a lettings bonanza, it will take approximately 11.8 years for the current supply to be absorbed.
- Since the building became vacant in Jan 2020, every effort has been made to maximise the commercial/employment generating opportunities, including obtaining planning consent to expand and fully refurbish the whole building, which cost WGS over £60,000 in professional fees just to obtain planning consent.
- Due to severely escalating build costs and 'open ended' marketing/vacancy periods it was not financially viable to speculatively implement the consented office scheme
- The marketing has successfully generated interest from office occupiers but each party has ultimately dismissed the subject property in favour of offices located in central Richmond, or similar towns such as Chiswick, Hammersmith and Wimbledon.
- there is demand from other sectors such as nursery providers but due to a lack of sufficient external space the building is not suitable
- there is demand from serviced office providers, but their preference is for central Richmond and the management agreements offered are incompatible with WGS's development model and Management Board.
- For as long as there are competing Grade A offices available in the Draft Local Plan Town Centre Area, Independence House will remain vacant as tenants elect to be located in central Richmond.
- Downgrading the spec and offering the subject property to let at a lower rent is not economically viable and it will still complete with over 68,000 sqft of Grade B offices available to let

To conclude, we are firmly of the opinion that, whilst the building has the potential to be let to an E Class occupier, in consideration of the above observations the subject property will remain vacant for the foreseeable future and it is not financially viable to implement the consented commercial scheme.

Yours sincerely,

Stirling Shaw

Stirling Shaw Ltd

Appendix 1 - Site Photos post strip out



Appendix 2 – 2021 Consented Office Scheme to expand to 15,000 sqft



Appendix 3 – Residual Appraisal

REVENUE						£
						p.a.
Commercial Office		Sq M	Sq Ft		p.s.f (£)	
	Roof Terrace	43.7	470	@	nil	
	Offices - L3	267.90	2,884	@	50.00	144,186
	Offices - L2	414.00	4,456	@	50.00	222,819
	Offices - L1	414.40	4,461	@	50.00	223,034
	Offices - L0a	270.60	2,913	@	50.00	145,640
	Offices - L0b	70.00	753	@	50.00	37,675
	Reception	tbc		@	(assume multi let)	0
	Basement	30.00	323	@	nil	0
Existing NIA	NIA	1,396.90	15,467			Total Rent Roll 773,354
12,836	Inc Reception			Capitalised	@ 6.00% (NIY)	
						Gross Development Value 12,026,943
						psf 778
				Less Void	@ 12 months	773,354
Professional Fees				Less Rent Free	@ 12 months	773,354
	Letting Agent Fee				10.00%	77,335
	Letting Legal Fee				1.50%	11,600
						1,546,708
						106,723
						Net Development Value 10,373,512
						£psf: 671
COSTS						
Current Value						5,000,000
	SDLT			@	5.00%	N/A
	Agent's Fee			@	1.00%	N/A
	Solicitor's Fee			@	0.80%	N/A
						250,000
						50,000
						2,000
						5,302,000
Refurbishment Construction:						
	Demolition costs	Sq ft				inc
	Build Costs	18,898	sq ft GIA	@	250.00	psf
	Design Contingency			@	5%	
						4,724,500
						236,225
						4,960,725
Description						
	Professional Fees:					Budget
	Stirling Shaw	DM				141,643
	JaM Management	PM				38,220
	JaM Management	QS				57,050
	Wimshurst Pelleriti	Architect				140,194
	Axiom Structures	Structural				55,350
	Quinn Ross	M&E				58,650
	BREEAM (Quinn Ross)	Energy				0
	Principal designer					2,800
	Giles Dixon	Legals				40,000
	Surveys:					
	Various					5,000
	Quinn Ross	Drainage				1,850
	Waldrams Ltd	Rights of Light				3,800
	KP Acoustics	Acoustics				1,280
	Kronen	Transport				1,620
	Mobile CAD Survey					4,595
	Building regulations					9,250
	Planning Fee - WP					3,995
	CIL Fees					0
	Other:					
	Insurance					20,000
	Utilities for site during development					18,000
	L/L fixtures and fittings					20,000
	Fibre/Coms contractor					40,000
	Total Forecast Project Costs			13.40%		664,692
						664,692
Disposal:						
	Investment Sale Agent Fee			@		0
	Investment Sale Legal Fee			@		0
						0
Finance:						
	Finance	12 months		@	5.0%	Notional rate (60% of costs)
	Arrangement fee				1%	N/A
						169,941
Total Build Costs & Fees (excl. VAT)						5,795,358
Residual Value + Costs (excl. VAT)						11,097,358
GROSS PROFIT						-723,846
Profit/Cost						-6.52%
Profit/Cost excluding notional finance						-4.99%

Appendix 4 – Comparable Office Lettings Schedule (March 2020 – May 2023)

Address	Floor	Size (sf) Net	Rent Psf	Specification	Lease Term	Transaction	Date	Parties
Greyfriars Studio 25 The Quadrant	1 st	4,352	£53.50	- CAT A	5 years 12 <u>months</u> rent free (Yr 1 half rent)	OML	April 23	L: Carlford T: Galtea Ass.
Greyfriars Studio 25 The Quadrant	2 nd	4,361	£52.50	- CAT A	5 years TOB @ 3 4 <u>months</u> rent free and 3 months post break	OML	June 22	L: Carlford T: QIA Global
Frameworks 2 Sheen Lane	2 nd	4,659 Terrace 242	£57.50 50% on terrace	- CAT A	5 years TOB @ 3 7 <u>months</u> rent free	OML	Jan 22	L: Boulbee Land T: Metis
Framework 2 Sheen Lane	4 th	2,641 Terrace 237	£60.00 50% on terrace	- CAT A	10 years TOB @ 5 7 <u>months</u> rent free	OML	April 22	L: Boulbee T: Park Run
Frameworks 2 Sheen Road	3 rd	4,345 Terrace 234	£57.50 50% on terrace	- CAT A	5 years TOB 3 7.5 <u>months</u> rent free	OML	<u>April 22</u>	L: Boulbee Land T: Clorox Company
Holbrook Studios	1 st	3,260	£50.00	- CAT A	5 Yrs TBO at 3 rd 15 <u>months</u> rent free (in total)	OML	October 21	L: CBRE GI T: Infinium
63 Kew Road	G 1 st	15,050	£45.00	- Unrefurbished	2 years LBO after 12 months	OML/LR	August 2021	LL: Low Carbon Workplace T: Not on the High Street
Evergreen Studios	G	3,363	£55.00	- CAT A	5 years TBO @3 7 <u>months</u> rent free	OML	August 2021	LL: Carlford T: Respoke
1 Eton Street	3 rd 2 nd	7,218 11,034	£45.00	- CAT A	2 years 3 <u>months</u> rent free on 2 nd and 2 months on 3 rd .	OML/ LR	Dec 2020	LL: Europa T: People Against Dirty
25 Kew Foot Road	G 1 st 2 nd	7,632	£49.50	- Full Refurbished	15 years Break at 10 12 <u>months</u> rent free	OML	Oct 2020	LL: EDM T: Govt
Heron House	Whole (LGF, GF, 1 st & 2 nd)	3,133	£59.00	- Fully refurbished period	10 years TBO @ 3 rd (<u>9 month</u> pen) and 5 th 6 <u>months</u> rent free	OML	March 2020	LL: Orchard Street T: Sotheby's

NOTES: all the above properties are located within the Draft Local Plan Town Centre Area, with the only exception being 25 Kew Foot Road, which is in a secondary /tertiary location.

Appendix 5 – Lettings Board

From: Admin <admin@signcraft.co.uk>

Sent: 21 Aug 2020 15:04

To: Andy Shaw <ashaw@stirlingshaw.co.uk>

Subject: INDEPENDENCE HOUSE 84 LOWER MORTLAKE ROAD RICHMOND SURREY, TW9 2HS, 5X4 V

Order Date 21/09/2020 Thank you for your order. Your order has been completed. Your Account Number is S507 Please use this when ordering by Email or on our Online ordering system @ :- <http://www.signcraft.co.uk/order-your-signage/>

Signcraft, The Coach House,
St Stephens Road, West Drayton,
Middlesex, UB7 7RL
T: 01895 442768
www.signcraft.co.uk



Appendix 6 – Stirling Shaw Marketing Brochure






Independence House, 84 Lower Mortlake Road, Richmond TW9 2HS


TO LET

Area: 15,467 FT² (1,437M²) | Rent: Upon Application |

- 

Parking
37 onsite parking spaces
- 

Reception
Remodelled reception/lounge area
- 

Bike Rack
Secure bike storage
- 

Lift
Lift access

LOCATION:

Richmond is a highly affluent town located some 9 miles from Central London and has excellent road and rail links to both London via Underground, Overground and National Rail lines and Heathrow Airport via the M3 and M4 highways. The property occupies a prominent position on Lower Mortlake Road, at its junction with Crofton Terrace. Richmond Station, the town centre amenities and Old Deer Park are within a short walk, and all are accessible via a designated cycle route.

www.stirlingshaw.co.uk

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Independence House, 84 Lower Mortlake Road, Richmond TW9 2HS

DESCRIPTION:

The property is due to undergo a comprehensive refurbishment programme to include remodelled entrance with reception/lounge area, with self contained Grade A office suites accessed from a central lift core.

The 3rd floor will comprise full height glazing with stunning panoramic views and access to the roof terrace. The building will benefit from an additional terrace to the rear as well as a secure bike store, changing facilities and 37 onsite parking spaces.

FLOOR AREA:

FLOOR	AREA SQFT	AREA SQM
Ground Suite A	2,913	271
Ground Suite B	753	70
First Floor	4,461	414
Second Floor	4,456	414
Third Floor	2,884	268
TOTAL	15,467 sqft	1,437 sqm

AMENITIES:

- PRELIMINARY MARKETING
- FULLY REMODELLED GRADE A+ OFFICES
- STATE OF THE ART CHANGING FACILITIES
- POTENTIAL HEAD QUARTER BUILDING
- THREE EXTERNAL TERRACES
- SECURE BIKE STORAGE + 27 CAR SPACES

LEASE:

New Lease. Terms to be agreed

RENT: Upon Application

VAT: VAT will be applicable

SERVICE CHARGE: TBC

RATES PAYABLE: To be assessed

EPC: Available upon request.

LEGAL COSTS: Each party to be responsible for their own legal costs.

CONTACT:



Andy Shaw
07498 854767
ashaw@stirlingshaw.co.uk





Julius de Mattos
07969 395767
jdemattos@stirlingshaw.co.uk


www.stirlingshaw.co.uk


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Appendix 7 – Confirmation of advertising with Estate Agents Clearing House (EACH)



Stirling Shaw 07843 511 820 Investment 57 Lock Road,Ham,TW10 7LL





Julius de Mattos

TW9  Richmond 84, Independence House 15,467 sf




220615132642
UNVERIFIED
Available

Office

-  TW9 15,467 sf
-  84, Independence House Lease £ROA
-  Lower Mortlake Road write occupier / reference
-  **Richmond** set Office Amenities

PRELIMINARY MARKETING
POTENTIAL HEAD
QUARTER BUILDING
FULLY REMODELLED
GRADE A+ OFFICES
THREE EXTERNAL TERRACES


Stirling Shaw
Ham
07843 511 820
 Julius de Mattos




Description

Richmond is a highly affluent town located some 9 miles from Central London and has excellent road and rail links to both London via Underground, Overground and National Rail lines and Heathrow Airport via the M3 and M4 highways. The property occupies a prominent position on Lower Mortlake Road, at its junction with Crofton Terrace. Richmond Station, the town centre amenities and Old Deer Park are within a short walk, and all are accessible via a designated cycle route. The property is due to undergo a comprehensive refurbishment programme to include remodelled

Location write / paste

write a note - visible for Department



Appendix 7C – Confirmation of Advertising with LoopNet (CoStar)

Menu
LoopNet
Share Listing
Advertise

Independence House | 84 Lower Mortlake Rd

15,467 SF of Office Space Available in Richmond, LND

HIGHLIGHTS


- Three external terraces
- Bike Rack Secure bike storage
- State of the art changing facilities

ALL AVAILABLE SPACES (4)


SPACE	SIZE	TERM	RENT	SPACE USE	CONDITION	AVAILABLE
Ground	753-3,666 SF	1-20 Years	Upon Application	Office	Shell Space	Now
1st Floor	4,461 SF	1-20 Years	Upon Application	Office	Shell Space	Now
2nd Floor	4,456 SF	1-20 Years	Upon Application	Office	Shell Space	Now
3rd Floor	2,884 SF	1-20 Years	Upon Application	Office	Shell Space	Now

PROPERTY OVERVIEW


The property is due to undergo a comprehensive refurbishment panoramic views and access to the roof terrace. The building



Julius De Mattos



Andy Shaw





07969 395767

TBC
Richmond, TW10 7LL


Contact

Public Portal:

Menu

[BACK TO MY LISTINGS](#)



Independence House - 84 Lower Mortlake Rd, Richmond, TW9 2HS

Independence House

Listing
Space Details
Taxes & Opex
Photos
Property
Highlights
Tenants
Contacts

Listing

Lease Type*

Direct

Agency Fee

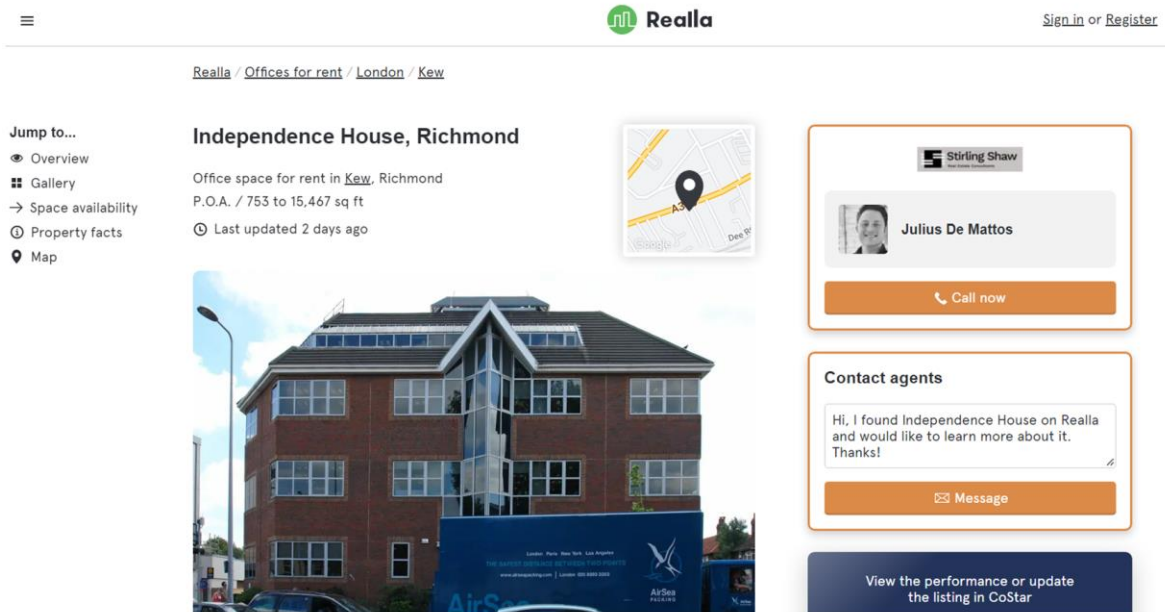
%

Will not be published.

Available Spaces MANAGE CONTIG

<input type="checkbox"/>	Floor & Suite	Space Available	Bldg Contig	Use	Rent
--------------------------	---------------	-----------------	-------------	-----	------

Appendix 7D – Confirmation of Advertising with Realla:

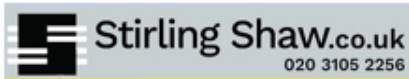


The screenshot shows a Realla listing for 'Independence House, Richmond'. It includes a navigation menu on the left, a main image of the building, a map, and contact options for agent Julius De Mattos. The listing details include: Office space for rent in Kew, Richmond; P.O.A. / 753 to 15,467 sq ft; Last updated 2 days ago.

Appendix 8 - Schedule of Interested Parties

Independence House, Richmond

Enquiries June 2023

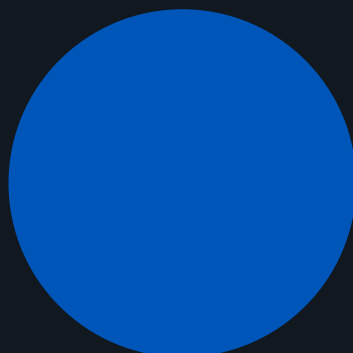
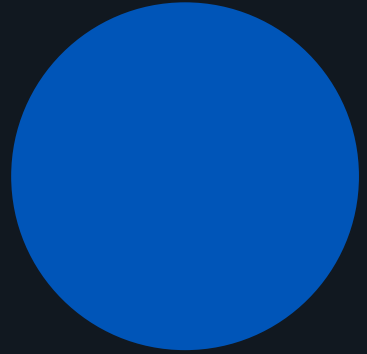


CURRENT AVAILABILITY	QUOTING RENT /SQ FT	RATES / SQ FT	SERVICE CHARGE / SQ FT
L0 - 3,663 Sq Ft L1 - 4,461 L2 - 4,456 L3 - 2,884 TOTAL: 15,464 SQ FT	£50.00 psf	Awaiting assessment Estimated £15.00 psf	Awaiting SC budget. Targeting £7.50 per sq ft max

DATE	APPLICANT	SIZE SQ FT	LOCATION	COMMENTS:
VIEWINGS				
May 2021	TCC Global	15,000	Richmond	Tenant relocating from Heathrow. Required 15,000 sqft offices for new HQ. Undertook 7 <u>viewings</u> Full proposal issued at £50 psf , subject to final spec being <u>agreed</u> Tenant finally elected not to pursue as the building was not central to Richmond's amenities.
Sept 2021	The Golf Rooms	7,500	Richmond	Viewed 23 rd Sept. Initial interest but elected to pursue Greyfriars Studio as closer to tube station
OFFERS				
	None			

PREVIOUS ENQUIRIES

May 2022	KLM obo confidential client	7 – 20,000 sqft	Richmond	Serviced Office operators - Management Agreements only
May 2022	PeopleCheck	3,500	Richmond	Currently in Shearwater House (2,000 sq ft) – lease expiry Nov 2023. Interested in 1 st Floor but at £50 psf and looking at cheaper options in the town. Made offer for Evergreen Studio
Sept 2022	Compass Box Whiskey	3,000 – 4,000	Richmond and surrounds	Chiswick based whiskey co. Three part requirement; distillery area, tasting area, office. Rejected IH and moved to Chiswick
May 2022	Orange Square	3,200	Richmond	Stayed at Peregrine House and considering moving closer to central London
Nov 2022	Nursery	5,0000	Richmond	Reviewed but discounted due to lack of secure external play area. UO on 1-9 Sandvcombe Road, Kew
Oct 2022	Devona	4,000	Richmond	Reviewed but discounted due to location. Want central Richmond
July 2022	Blackboard Inc	7,500	Richmond	Reviewed but discounted due to location. Want central Richmond
Mar 2023	IW Group Services	5,000	Richmond	Reviewed – no further interest
Jan 2023	Urban Consulting Ltd	3,500	Richmond	Reviewed - no further interest



Response by William Grant & Sons Ltd July 2023

Richmond Local Plan Regulation 19 Consultation

LPA Ref: RBC Local Plan Reg 19 Consultation (Summer 2023)

Firstplan Ref: 23073/CJ/TH

Date: July 2023

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Appendices

Appendix 1	List of relevant online planning history associated with 84 Lower Mortlake Road
Appendix 2	Marketing Report, dated July 2023, prepared by Stirling Shaw
Appendix 3	Employment Evidence, dated July 2023, prepared by Lichfield's

Section 1 Introduction

- 1.1 The following Representations have been prepared by Firstplan Ltd (herein referred to as ‘Firstplan’) on behalf of ‘William Grant & Sons Ltd’ (‘WGS’) with respect to the ‘Royal Borough of Richmond Council’s’ (the ‘Council’) Publication (Regulation 19) ‘Draft Local Plan’ (the ‘Publication Draft Local Plan’), which opened for consultation between June – July 2023.
- 1.2 These Representations are made by WGS in connection with the implications of the ‘Draft Local Plan’ for a property in their ownership at 84 Lower Mortlake Road, TW9 2HS, which is known as ‘Independence House’. The Representations are made digitally (by email) and have been submitted prior to the closure of the public consultation on 11:59pm on Monday 24th July 2023. They are supported by a completed ‘Response Form’, together with the following documents that have been commissioned by WGS and are included within this Statement:
- Marketing Report by Stirling Shaw [at Appendix 2]
 - Employment Evidence review by Lichfields [at Appendix 3]
- 1.3 WGS challenges the ‘soundness’ and ‘legal compliance’ of the draft Local Plan on the basis of the designation of Independence House within a ‘Key Business Area’ and the current drafting of Draft Policy 23 ‘Offices’ which is not positively prepared, justified, consistent with national policy, or in general conformity with the London Plan.
- 1.4 These Representations demonstrate that the continued designation of Independence House within a Key Business Area in the Publication Draft Local Plan is not supported or justified by the Council’s evidence base, nor the latest market signals presented in the Employment Evidence review by Lichfields. This is contrary to the requirement in the NPPF (paragraph 31) that “the preparation and review of all policies should be underpinned by relevant and up-to-date evidence”.
- 1.5 It is further demonstrated that the approach set out in Draft Policy 23 is no longer “justified” by the Council’s own latest employment evidence and therefore cannot be considered ‘sound’. A more flexible and pragmatic approach is now required for the managed loss of the functionally redundant surplus office accommodation that clearly exists in the Borough.

- 1.6 In addition, it is evidenced that Independence House makes no contribution to the Richmond local economy or office market, and that its loss would have no material effect upon the overall demand/supply balance for office space across the Borough over the new Local Plan period, nor on the performance of the current office market in Richmond.
- 1.7 Accordingly, its designation within a Key Business Areas and the overly restrictive approach outlined in Draft Policy 23 are not “justified” and therefore fail the test of ‘soundness’ and ‘legal compliance’.
- 1.8 In drafting these Representations, specific regard has been had to the requirements set out in the Council’s response form and its guidance notes, together with policies in relation to plan-making set out within the NPPF.
- 1.9 WGS would welcome early discussions with the Council regarding these Representations and amendments to the proposed policy and land use allocation.

Section 2 Relevant Background and Site Information

a) Background to the Site

- 2.1 Independence House comprises a four-storey commercial office building (Use Class E) located along the southern side of Lower Mortlake Road outside of the Richmond 'Town Centre' boundary. Its full address is 84 Lower Mortlake Road, TW9 2HS. The accommodation is spread across ground to third floor and totals 1,103.5sqm of net office floorspace. The building has a main entrance along the frontage, with car parking to the rear and at basement level.
- 2.2 The building is surrounded by residential properties, both along Lower Mortlake Road and to the rear, along West Sheen Vale. This includes at both the immediately neighbouring Eminence House (No. 76) and the upper floors of Vetro House (No. 90). To the west of Eminence House, Avalon House is an office building, but is understood to also be partly vacant.
- 2.3 The site, together with its immediate context, is demonstrated at Figure 1.

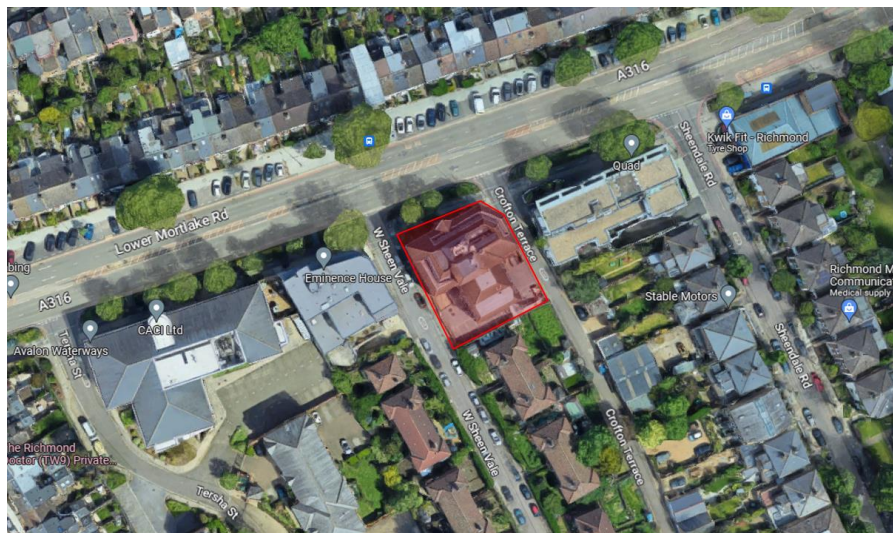


Figure 1. Aerial view of Independence House site (Google Maps 2023)

- 2.4 The current (adopted) Richmond Local Plan (July 2018) identifies the site to be situated within a 'Key Office Area' ("KOA"), together with the two buildings to the west, as shown at Figure 2 below (namely Avalon House and Eminence House). The middle building, known as Eminence House, is now in sole residential use.



Figure 2. Extract from Adopted Local Policy Map

2.5 Independence House was constructed in the mid-1980s and was owned and occupied by WGS as their London HQ offices. By 2019 the building became extremely dated and beyond economic refurbishment. As a result, the business reviewed their position and decided to relocate their head offices to a location within Richmond Town Centre (the Old Court House, Parkshot) given its improved facilities and access to the retail and transport connections within the town centre. Independence House has remained vacant since December 2019, which is now 43 months – at the time of writing the building has been marketed extensively since August 2020 (35 months) by Stirling Shaw Real Estate Consultants, which has identified no credible interest for the building’s reoccupation, as summarised in the Marketing Report.

b) Planning history

i) The site

2.6 The planning history for the site is extensive, with a list of the applications available online provided at [Appendix 1](#). It is understood from the evidence available that the building was built pursuant to a planning permission granted in 1987 (ref: 87/427), which allowed for the construction of a part two-storey, part three-storey, part four-storey office building with parking at basement and ground floor level for 40 cars. There was no restriction on the use of the building as offices attached to this decision.

2.7 A subsequent permission was granted in 2002 (ref: 01/2046/FUL) which allowed for the erection of an additional storey on the rear addition and infill of part of the undercroft. A revised planning permission was then granted in 2002 (ref: 02/1225) for the infill of part of the undercroft for office use. There were

no restrictions on the use of the building as offices attached to either of these decisions. Accordingly, it is considered that the permitted use of the building is for Class E use under the Town and Country Planning (Use Classes) Order 1987.

2.8 Most recently, planning permission was granted in 2021 (ref: 20/3359/FUL) for the “*extension of the existing office building to provide a new entrance, enlarged office space and external terraces*” to assist in the building competing with higher grade offices in the Town Centre and to assist in finding suitable tenants. However, following grant of this permission (and as explained in further detail in the Marketing Report) it was identified that the works would be unviable due to the costs required to carry out the works, prevailing market conditions and the lack of identified demand for office space in this location. Accordingly, WGS have not implemented this permission which is considered financially unviable for the foreseeable future and does not intend to take it forward.

ii) Surrounding area

2.9 Planning permission was granted in 1997 (ref: 97/1106) for the development of 72 Lower Mortlake Road (known as ‘Avalon House’) for office and residential use. A subsequent planning permission was then granted in 1998 (ref: 98/1856) for the development of a 3-storey building for office use only, which we understand authorises the current building. A Certificate of Lawfulness was issued in 2006 (ref: 06/0565/ES191) confirming that the use of the building was as offices within Use Class B1 which is its current use.

2.10 76 Lower Mortlake Road (known as ‘Eminence House’) was redeveloped following the grant of planning permission in 2004 (ref: 04/1387/FUL) to provide a 5-storey building with residential on the upper floors and 400sqm commercial space at ground floor. The planning permission was varied on multiple occasions, with the latest being in 2008 (ref: 08/0679/FUL). Since its development, applications have been submitted seeking the change of use of the ground floor commercial units. This includes in 2013, where a prior approval was granted (ref: 13/2655/P3JPA) allowing its use as residential accommodation. This is understood to have been implemented and the current use of the building is residential.

2.11 Planning permission was granted in 2004 (ref: 04/1498/FUL) for the development of a 4-storey building comprising residential properties and 215sqm commercial space at 86-98 Lower Mortlake Road (known as ‘The Vetro’). The upper floors are currently in residential use.

iii) Pre-application advice request, 2022-2023

- 2.12 Pre-application discussions were held with Richmond Council in 2022-2023 to discuss the acceptability of converting Independence House to residential use. In their written response, Council officers were of the view that the proposals would not be acceptable in the context of Policy LP41 despite extensive marketing evidence being provided to demonstrate the lack of demand for the site for commercial use.
- 2.13 In reaching this position it was set out that *"the criteria relating to submission of marketing evidence in Part A of the policy do not generally apply to sites located in Key Office Areas, where net loss of floorspace will not normally be permitted and the Council would reiterate that the principle of loss of office development here is not supported in principle"* (our underlining). In taking this view, Officers reference the outcome of a recent appeal in the Borough at Mega House (ref: APP/L5810/W/21/3283294), within which the Inspector gave great weight to the evidence (ELPNA 2021 at the time) of the emerging Local Plan in the absence of evidence to the contrary. It is noted that this evidence base has now been updated and that evidence challenging the interpretation of the updated evidence base is included within these Representations.

c) Marketing Report by Stirling Shaw (June 2023)

- 2.14 As set out above, Independence House has not been occupied since WGS vacated the premises in December 2019 and relocated to better situated and higher quality premises in Richmond Town Centre. The building has been subject to extensive active marketing that commenced in August 2020 by Stirling Shaw Retail Estate Consultants. The methods undertaken, together with the outcome of this, are set out in the Marketing Report (June 2023) prepared by Stirling Shaw, enclosed at [Appendix 2](#). The report considers the site in the context of the local market in Richmond and sets out the following conclusions:
- There is a chronic over supply of Grade A offices in the Draft Local Plan Town Centre Area and the current supply chain stands at ~263,000 sqft of offices available in the next 12 months.
 - Average take up for the last 3 years is approximately 22,000 sqft per annum.
 - Unless there is a dramatic increase in demand and a "lettings bonanza", it will take approximately 11.8 years for the current supply to be absorbed.
 - Since the building became vacant in 2019, every effort has been made to maximise the commercial/employment generating opportunities, including obtaining planning permission to expand and fully refurbish the whole building, which cost WGS over £60,000 in professional fees just to obtain planning permission.

- Due to severely escalating build costs and ‘open ended’ marketing/vacancy periods it is not financially viable to speculatively implement the consented, speculative office scheme.
- There is demand/interest from office occupiers but each party has ultimately dismissed the subject property in favour of offices located in central Richmond, or similar towns such as Chiswick, Hammersmith and Wimbledon.
- There is demand from other sectors such as nursery providers but due to a lack of sufficient external space the building is not suitable.
- For as long as there are competing Grade A offices available in the Draft Local Plan Town Centre Area, Independence House will remain vacant as tenants elect to be located in central Richmond.
- Downgrading the specification and offering the subject property to let at a lower rent is not economically viable and it will still complete with over 65,000 sqft of Grade B offices available to let in Richmond Town Centre.

2.15 Stirling Shaw therefore reach the overarching firm view that, whilst the building has the potential to be let to a Class E occupier, the property will remain vacant for the foreseeable future and it is not financially viable to implement the consented scheme.

d) Summary

2.16 The following key points are drawn from this section:

- Independence House was developed in the 1980s for office purposes. No condition was attached to the approved permission restricting the use of the building and therefore it has an unrestricted Class E use.
- Whilst a condition was attached to the recent permission for refurbishment works restricting the use of the building to Classes E(e) and E(g), this consent has not been implemented nor does our client intend to do so in the future as it is not viable.
- Whilst the site is located within a defined Key Office Area, of the three buildings contained within this designation, only one is currently occupied for office use. Independence House has been vacant since late 2019x and Eminence House is in now residential use.
- Since WGS vacated the unit in December 2019 it has remained vacant despite a comprehensive marketing campaign being undertaken by Stirling Shaw. This is expressed in the Marketing Report, which concludes that, despite the site’s allocation as a Key Office Area, it is not sequentially attractive to tenants who would prefer to locate within Richmond Town Centre where they would be closer to the train station and amenities.

- The number of appeals relating to the position of Local Policy LP41 are limited. However, a recent appeal decision at Mega House indicated that the Inspector considered significant weight should be given to the findings of the ELPNA 2021 prepared to support the emerging Local Plan. However, the Inspector does observe in their decision that there was an absence of evidence to the contrary or a sufficiently robust marketing assessment, which are both contained within these Representations by WGS. Furthermore, it is evident the Inspector was willing to consider marketing evidence to justify the loss of office accommodation.

Section 3 Planning Policy Context

3.1 The following provides a review of the key current and past planning policy documents relevant to the consideration of the proposed business/office policies and the relevance of retaining Independence House within a Key Business Area boundary.

3.2 Those existing documents identified below are critical in the consideration of the ‘soundness’ and ‘legal compliance’ of the draft Local Plan.

a) National Planning Policy Framework (NPPF, 2021)

3.3 In order for the draft Local Plan to be considered ‘sound’ it is required to be “consistent with national policy”. Those policies within National Planning Policy Framework (NPPF, 2021) considered relevant are outlined below.

3.4 **Paragraph 16** sets out that plans should (*inter alia*) be prepared with the objective of contributing to the achievement of sustainable development; be prepared positively, in a way that is aspirational but deliverable; and contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals.

3.5 **Paragraph 31** states that:

“the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take account relevant market signals”.

3.6 **Paragraph 35** sets out the requirement that Local Plans need to be examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. They are ‘sound’ where they are:

“a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

- b) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
- c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant.” (our underlining)

3.7 Section 6 relates to the economy. Within this **Paragraph 81** sets out that:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.”

3.8 **Paragraph 82** goes on to say:

“Planning policies should:

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
- b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
- d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.”

3.9 Section 11 relates to making effective use of land. **Paragraph 119** sets out that:

“Planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or ‘brownfield’ land.”

3.10 **Paragraph 120** goes on to say that ‘Planning policies and decisions should: (*inter alia*)

“c) give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, and support appropriate opportunities to remediate despoiled, degraded, derelict, contaminated or unstable land;

d) promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure).”

3.11 **Paragraph 122** sets out the following:

“Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability.”

b) London Plan (2021)

3.12 In order for the draft Local Plan to be ‘sound’ and ‘legally compliant’ it must also be in general conformity with the London Plan.

3.13 The key London Plan policies relevant to the designation of Independence House within a Key Business Area and the Council’s approach to its office protection policy are summarised below.

3.14 **Policy E1 'Offices'** (Part E) sets out that existing office floorspace capacity in locations outside the areas identified in Part C (note: Independence House is not covered by Part C) should be:

“retained, supported by borough Article 4 Directions to remove permitted development rights where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable and releasing surplus office capacity to other uses”. (our underlining)

3.15 Part I goes on to state that:

“The redevelopment, intensification and change of use of surplus office space to other uses including housing is supported, subject to the provisions of Parts G and H.” (our underlining)

3.16 For completeness, the provisions referred to are as follows:

“G: Development proposals related to new or existing offices should take into account the need for a range of suitable workspace including lower cost and affordable workspace

H: The scope for the re-use of otherwise surplus large office spaces for smaller office units should be explored.”

3.17 Surplus Office Space is defined at paragraph 6.1.7 as follows:

“Surplus office space includes sites and/or premises where there is no reasonable prospect of these being used for business purposes. Evidence to demonstrate surplus office space should include strategic and local assessments of demand and supply, and evidence of vacancy and marketing (at market rates suitable for the type, use and size for at least 12 months, or greater if required by a local Development Plan Document). This evidence should be used to inform viability assessments.”

c) Existing Richmond Local Plan (2018) ('2018 Local Plan')

3.18 Adopted **Policy LP41** relates to offices and confirms at Part A that there is a presumption against the loss of office floorspace in all parts of the Borough. It goes on to set out that any loss of office space (on sites outside the designated KOAs) will only be permitted where two criteria are met: there is robust

and compelling evidence showing there is no longer demand; and a sequential approach to redevelopment or change of use is applied. With regards to sites within KOAs, it sets out that:

“Net loss of office floorspace will not be permitted. Any development proposals for new employment or mixed use floorspace should contribute to a new increase in office floorspace where feasible. Criteria 1 and 2 in A (above) do not apply to the Key Office Areas”

3.19 Supporting Paragraph 10.2.7 confirms that the KOAs have been designated due to their particular importance for office employment space. Paragraph 10.2.8 goes on to identify that the Council will not permit loss of office space in these areas and development of new office space is encouraged.

3.20 The designation of ‘Key Office Area’ was introduced by the Council in the 2018 Local Plan, predominantly to reflect land covered by the Article 4 direction adopted in 2016 restricting the conversion of properties in the Borough from office to residential. The allocations were also supported by the evidence base to the 2018 Local Plan, which included an ‘Employment Sites and Premises Study’ prepared by Peter Brett Associates in 2016. Prior to the 2018 Local Plan, local policy had a mechanism in place for the loss of employment space Borough-wide where certain parameters were met (**Local Policy DM EM2**). This set out that:

“The use of employment land for other purposes will only be permitted where:

(a) There is satisfactory evidence of completion over an extended period of time of a full and proper marketing exercise of the site at realistic prices both for the existing use and for redevelopment (if appropriate) for other employment uses; or suitable alternative evidence; and either

(b) A sequential approach has been applied to the development of the site as follows:

i) solely employment-based redevelopment;

ii) mixed-use or other alternative employment creating uses, where the employment floorspace is retained. Such sites should maximise the amount of affordable housing provided as part of the mix;

iii) maximum provision of affordable housing in accordance with CP19;

Or

(c): The location has such exceptionally severe site restrictions due to very poor access and servicing arrangements that its continued employment use would be inappropriate.”

3.21 Correspondence regarding the current adopted business policies was had during the examination of the 2018 Local Plan prior to its adoption. In their written response following Hearing 6, the Council replied to a query on whether the economic policies provide adequate flexibility for potential changing circumstances by arguing that the policies put a strong emphasis on applications to demonstrate that there is no longer demand for an employment use on the site through the provision of marketing evidence.

3.22 It was also asked of the Council whether robust evidence supports Policy LP41 and whether the Borough-wide approach to office floorspace was justified and consistent with national policy and the London Plan. In responding to this the council set out that:

“The evidence base categorically demonstrates the sheer scale of the recent losses in B1a Office space within the borough, alongside growing demand requirements particularly from small and medium sized businesses. Both the Employment Sites and Premises Reports produced by Peter Brett Associates found that the growing demand requirements and tightening of office supply supports the Council’s proposed robust approach to resist the loss of office floorspace through strong policy retaining offices in the town centres and newly designated Key Office Areas.”

3.23 Subsequent to these responses, in considering this matter the Inspector concluded in their report on the 2018 Local Plan that:

“Within KOAs, the policy states that the net loss of office floorspace will not be permitted. Whilst there is some variation in rental levels and yields in some areas, such as around Electroline House, the overall thrust of the evidence supports a robust approach towards retaining the employment uses within KOAs which is justified adequately by the available evidence. Whilst the aim to increase the net supply of office floorspace in mixed use redevelopment proposals is supported by the level of general need in the Borough, this should reasonably apply where the characteristics of the site and the development make it feasible rather than a predetermined requirement. For reasons of effectiveness I recommend accordingly”.

3.24 The 2018 Local Plan was adopted in the context of the London Plan 2016, which has since been superseded by the London Plan 2021. Within the 2016 version, **Policy 4.2** related to offices and sought to enhance the office provision in the City to attract businesses of different types and sizes including small and medium sized enterprises. It went on to promote the provision of new capacity and encourage renewal and modernisation in viable locations and supporting changes of surplus office space to other uses. With regards to residential conversions the policy only made reference to the need to identify the need to monitor the impact of Permitted Development rights for changes of use from offices to residential and how this would impact on the office stock in the City.

d) Current Planning Policy Overview

3.25 The following key points can be drawn from the existing planning policy framework:

- The NPPF provides that plans need to be based on proportionate evidence and be in accordance with national policy. In this regard, Paragraph 16 requires policies to be clearly written and unambiguous, with the policies relating to the economy requiring plan policies to be flexible to suit future needs not anticipated in the plan. Section 11 goes on to require that development of under-utilised land and buildings should be supported, especially where it meets an identified housing need. Paragraph 122 further outlines that policies need to reflect changes in the demand for land.
- At a London level, the current London Plan was adopted in 2021, with Policy E1 confirming that the change of use of surplus office space to other uses including housing is supported subject to demonstration that there is no alternative viable commercial use. This is an update on the policy position in the 2016 London Plan, which was in force when the 2018 Local Plan was adopted, and which focussed on the enhancement and modernisation of existing office stock. Paragraph 6.1.7 indicates that surplus office space can be identified by 12 months vacancy and marketing to demonstrate that there is no realistic prospect of a site being used for business purposes.
- The 2018 Local Plan Policy LP41 provides a mechanism for converting unused office stock where it can be shown there is no longer a demand. It does, however, provide that this is not applicable in the defined KOAs irrespective of the evidence given. However, as detailed at Section 2 of this statement there are appeal cases within which Inspectors have taken the view that, despite this Policy, an assessment of the marketing evidence would be appropriate. This is also implied in the written pre-application response relating to Independence House in 2023, where in considering the principle of development officers suggested that the marketing requirements set out in Part A of the policy *'do not generally apply to sites in the KOAs'*.

- The allocation of Independence House as a Key Office Area was introduced in the 2018 Local Plan and reflects the boundaries of Article 4 directions adopted in 2016. At this time the building was in full time occupation by WGS as their head office. Since the adoption of the 2018 Local Plan this position has changed, with the building now having been vacant and comprehensively marketed for a significant period of time. An up-to-date Article 4 direction remains in place, which would prevent its unrestricted conversion under permitted development rights, although as Lichfields highlight at Para 3.8 of their Employment Evidence the continued inclusion of Independence House within this was not informed by an up-to-date evidence base.

Section 4 Evidence Base and Draft Policy

4.1 This section provides a summary of the key evidence base documents associated with the draft Local Plan process relevant to these Representations. It considers the evolution of the draft Policy relating to office space through the adopted Local Plan Policies and the Local Plan Review process at 'Regulation 18' Stage and now at 'Regulation 19' Stage. A comprehensive review of the ELPNA (2021 and 2023) is undertaken within the Employment Evidence review by Lichfields.

a) **Evidence Base Documents for Reg 18 consultation**

i) **Employment Land and Premises Needs Assessment 2021 ('ELPNA 1')**

4.2 The ELPNA 1 was prepared to update the economic need for land and floorspace in Richmond. The report was prepared with the view that no prospect of significant new land would be identified for development and therefore the plan would need to facilitate the intensification of space.

4.3 The report suggested a minimum office need of 73,000sqm at Paragraph 4.99 and as a result it concluded that a continued strong employment land protection policy would be needed, setting out that:

"For both offices and industrial the Borough is hampered by a lack of development sites and a negative pipeline. The London Plan has looked to tighten employment policies and particularly for industrial uses which may help control future losses. The Borough however will struggle to deliver net additional space, especially for logistics firms..."

Therefore, in the absence of sites, the Council will need to rely on windfall redevelopment proposals to meet economic needs. The use of windfall sites is well established as a route to deliver new homes, but has not been explicitly cited as a source to meet economic needs. We suggest amending and strengthening the Borough's main employment policies (LP40, 41 and 42) to require net additional employment space following a sequential approach."

4.4 No specific reference is made to Independence House or the wider designation along Lower Mortlake Road in this document.

ii) Local Housing Needs Assessment (stage 1) (LHNA, 2021)

4.5 The objective of the document was to assess the housing requirement for the borough over the new plan period. This was undertaken on the understanding that it would need to be in general conformity with the London Plan.

4.6 The report concludes at Paragraph 9.5 that the new Local Plan will be required to be in general conformity with the new London Plan which seeks to prioritise building new homes and sets out a housing target of 4,110 homes over the period to 2029 (equal to 411 homes per annum). It goes on to suggest that if a target is required by the 10-year period, Boroughs are advised to draw on the 2017 SHLAA findings and any local evidence of identified capacity.

b) Evidence Base Documents for Reg 19 consultation

i) Employment Land and Premises Needs Assessment 2023 ('ELPNA 2')

4.7 An updated ELPNA was prepared ahead of the Reg 19 consultation. This sought to update the position following ELPNA 1 and ensure that the findings were drawn on the most up-to-date economic forecasts. With regards to office floorspace it concludes that:

"The position for offices is more complex as the economic need for office jobs has risen, albeit from a relatively low base, but the market continues to experience sustained rates of vacancy and stock losses that are at rates that cannot be ignored. This has led to the shift in approach to the identification of office floorspace need, taking a more pragmatic approach whereby future losses are set aside and surplus vacant existing floorspace could be recycled for office (the short-term supply) or for other uses, up to the point where in an upturn in demand the available supply approaches the 7.5-10% mark. At that point the Council is justified to employ a more stringent policy to resist losses.

Overall future need for office floorspace has fallen substantially from the 73,000 sqm identified in the 2021 ELPNA to 23,000 sqm today. In the short term this can be delivered through the existing stock, which has a sustained high level of

availability/vacancy. In the mid-long term, given the lack of new sites for office, the Council should ensure that office use is part of the mix of uses identified for the major mixed-use development sites, of which the Borough has very few.” (our underlining)

4.8 It is referenced at Paragraph 3.98 that up to 15,000sqm office floorspace could be lost before the 10% mark is reached. A detailed review of this is provided within Section 2 of the Employment Evidence review by Lichfields.

ii) Local Housing Needs Assessment (LHNA, 2023)

4.9 This report was prepared to account for selective further analysis of housing dynamics, where appropriate, to consider supporting living needs and in the context of a restricted supply of housing, to consider a ‘local hierarchy of need’ to help guide policies on the delivery of different types of homes in the Borough. It does not review the overall housing need identified in the 2021 report.

iii) Housing trajectory

4.10 The latest Annual Monitoring Report was published in March 2023 and spans the 2021/22 year. It suggests that the Council have a 5-year supply of 5.3 years. This is based on sites under development, those with consent and those allocated for housing in adopted/emerging Plans and other identified sites coming forward.

c) **Regulation 19 Local Plan draft**

4.11 **Draft Policy 10** sets the housing targets for the new plan period in accordance with the requirements of the London Plan. In this regard it identifies a 10-year target of 4,110 homes. The supporting text suggests that the current projections demonstrate that this can be delivered through optimising the potential for housing delivery on all suitable and available brownfield sites. In the light of this, in considering the use of employment land for residential use Paragraph 17.9 sets out that:

“There is a need to retain land in employment use, as set out in the theme ‘Increasing jobs and helping business to grown and bounce back following the pandemic’. Housing delivery against the borough target is capable of being met without the release of employment land, although there may be limited potential for enabling housing gain on employment land if proposals comply with the requirements of Policies 23 and 24.” (our underlining)

4.12 **Draft Policy 11** relates to Affordable Housing and details the level of provision required for all developments. This policy specifically differentiates rates on sites involving former employment land from other sites.

4.13 **Draft Policy 23** specifically relates to offices and identifies a need to retain offices, setting out that:

“There is a presumption against the loss of office floorspace in all parts of the borough. Proposals which result in a net loss of office floorspace will be refused. Any refurbishment of existing office floorspace should improve the quality, flexibility and adaptability of office space of different sizes (for micro, small, medium-sized and larger enterprises) as set out in London Plan Policy E1.”

4.14 Supporting Paragraph 19.15 draws from the ELPNA 2 referring to a shortfall of circa 23,000 sqm of office floorspace but asserts that, whilst there is a reduced demand since the pandemic, there is a positive demand for the Plan period and a limited pipeline of supply. At Paragraph 19.17 it goes on to suggest that the policy approach to protecting existing office stock will apply where planning permission is required for a change of use, or to extensions and new development.

4.15 Paragraph 19.19 considers marketing and sets out that:

“Where a proposal involves a change of use not supported by policy, the Council will require satisfactory marketing evidence. An application is expected to set out why it is not suitable for continued commercial, business or service uses, and the site should be marketed both for its existing office use and alternative employment generating uses including as flexible, start-up or co-working space. Prices should be based on the local office market and on the existing quality of the accommodation. A full and proper marketing exercise can be submitted in accordance with the marketing requirements in Appendix 2. Such evidence will be a material consideration, however provision of marketing in itself does not justify an exception to policy.”

4.16 This indicates that marketing evidence can be a material consideration, regardless of whether the site is located in a KBA. **Draft Appendix 2** sets out the marketing evidence that would be needed to consider the conversion of employment space within the borough. This includes a section on Classes E(g)(i) and E(g)(ii). However, following this list paragraph 28.10 sets out that:

“Please note that provision of marketing will not be accepted as justification for an exception to policy; there should be no net loss of office floorspace.”

- 4.17 This paragraph is then repeated at Paragraph 28.12, under a heading relating to industrial land and which does not relate to office floorspace.
- 4.18 At Page 259 reference is made to the Article 4 directions in the borough restricting the conversion of commercial buildings to residential through Class MA of the GPDO. The approach taken for this Article 4 was to cover the current ‘Key Office Areas’, and the plan confirms that these would be renamed as ‘Key Business Areas’ to reflect the newly formed Class E. All of the sites originally contained in the 2018 Local Plan ‘Key Office Areas’ except one (38-42 Hampton Road) have been included, to include 72-84 Lower Mortlake Road, Richmond.
- 4.19 The remaining paragraphs 19.26 and 19.27 note that the provision of office floorspace remains a priority in town centres and that Richmond Town is the borough’s main office market. However, no specific mention is given to the reasoning for the protection of out of centre KBAs or whether the Council has reviewed whether these sites are still appropriate for the designation.

D) Evidence Base overview

- 4.20 The points relevant to the issues raised relating to Independence House are as follows:
- Housing needs assessments have been undertaken to support the draft Local Plan. These confirm that the identified need for the area directed in the London Plan is appropriate and suggests the range of need that would reflect the existing demographic.
 - Two assessments have been prepared regarding employment land needs. The ELPNA 1 was prepared in 2021 in the context of the Covid-19 pandemic and suggested a shortfall of 73,000sqm office floorspace. It therefore advocated the strengthening of the local policy provision on business floorspace loss. The ELPNA 2 prepared in 2023 suggests a significant reduction in the identified need to 23,000sqm and indicates that due to the increased level of vacancy there could be scope for the conversion of office floorspace to other uses outside of town centres and Article 4 areas, up to a point where the available supply reaches 7.5-10%. It identifies vacancy levels of 16.7%. The ELPNA 2 indicates that this would allow for a loss of 15,000sqm of existing office space in the Borough. However, no evidence is given to why KBAs outside town centres should be protected and the Policy drafting in this Regulation 19 consultation does not reflect these findings and is therefore not justified by the Council’s own evidence base.

- Draft Policy 23 does not provide a mechanism for loss of surplus office space to reflect the findings of the ELPNA 2 or **the London Plan**. It seeks to restrict loss of office space Borough-wide irrespective of whether a site is located within a KBA or is no longer viable for its existing use with no reasonable prospect of office use in the future. The supporting text does suggest that marketing evidence can be used to make the case for loss of office floorspace; however that this would only be a material consideration and would not justify an exception to policy. This is repeated at Draft Appendix 2 (marketing evidence) which states that marketing will not be accepted as justification for an exception to policy and that there should be no net loss, which would not be in conformity with the London Plan or national policy. The policy and supporting text do not detail what information would be needed to justify loss of office or business floorspace; there is a blanket presumption against the loss of office space, albeit an acknowledgment that marketing evidence would be a material consideration and then a detailed appendix describing the requirements of such marketing. The policy, its supporting text and Appendix 2 therefore sit somewhat uncomfortably with one another; if the Council is acknowledging the relevance of marketing information to proposals for a loss of office space, it should be express in permitting a marketing-led exception to policy. The current approach is contrary to NPPF Paragraph 16 d) which requires policies to be clearly written and unambiguous, so it is evident how a decision maker should respond to development proposals.
- In renaming the KOAs as KBAs, no justification is provided to whether the appropriateness of each area being re-allocated within the designation has been reviewed as part of the preparation process of the draft Local Plan. In particular, the evidence base has not been updated in respect of these relevant sites to justify this designation. The evidence base needs to be far more nuanced and specific in order to satisfy the requirements of NPPF paragraph 31 which requires plans to be underpinned by evidence which is “adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.”
- Notwithstanding the changes between ELPNA 1 and 2, the only change made to the policy was to remove reference to redevelopment proposals being required to contribute to a net increase in office floorspace.

Section 5 Response on Legal Compliance and 'Soundness' of the Draft Local Plan

5.1 Based on the details set out in the previous sections, we raise the following two principal matters with regards to the draft Local Plan:

- That the allocation of Independence House, 84 Lower Mortlake Road as a Key Business Area is not justified or appropriate; and
- That the Draft Policy 23 'Offices' and its supporting text and Draft Appendix 2, is not justified by the Council's own Evidence Base and is not in conformity with the NPPF or the London Plan.

5.2 These matters are considered in turn below. In order to appropriately address these matters a peer review of the Council's evidence base on employment land (covering both ELPNA 1 and ELPNA 2) has been undertaken by Lichfields and attached at [Appendix 3](#). This 'Employment Evidence' (June 2023) review considers the robustness of the Council's evidence base in the context of the findings of the Marketing Report on Independence House by Stirling Shaw.

5.3 In considering the 'soundness' of the draft Local Plan it is important to note that the NPPF is clear in the context of preparing and reviewing plans and confirms at Paragraph 31 that:

“the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take account relevant market signals”.

a) **That the allocation of Independence House within a KBA is not justified**

5.4 Page 258 of the draft Local Plan sets out that: *“The existing Key Office Areas will be renamed as Key Business Areas and retained on the Policies Map”*. An extract of the draft Local Plan Map is provided at Figure 3 below.



Figure 3. Extract from draft Local Plan Map (Reg 19, 2023)

5.5 Page 258 further notes that “38-42 Hampton Road has been removed as there is no existing office use”. (Our underlining).

5.6 Attention is drawn to this as the KBA within which Independence House sits is formed of a cluster of three buildings, as follows:

- Independence House (no. 84) – vacant since February 2020 with extensive marketing – no existing office use
- Eminence House (no. 74) – in sole residential use – no existing office use
- Avalon House (no. 72) – in office use, but not fully occupied

5.7 Accordingly, there is currently no office use within over two thirds of this proposed KBA allocation. It is considered that the Council has taken this forward as a legacy designation based on an assessment from 2015 (which informed the 2016 Article 4 direction but which is clearly not relevant, with Eminence House not being included within the 2021 Article 4 direction). The office market in Richmond has changed substantially in the last eight years, as has the situation across the three properties. In respect of Independence House, it has been vacant for over 3 years and has been through 35 months of extensive marketing. There is no objective assessment to justify the redesignation of these three buildings as a Key Business Area.

5.8 Furthermore, the Marketing Report by Stirling Shaw demonstrates that the site is not regarded as a preferred location for prospective tenants. It is one of a few commercial isolated buildings outside of the Richmond Town Centre and has to compete with sites of a similar size with better access to the shopping district and train station. Specifically, it concludes that:

“For as long as there are competing Grade A offices available in the Town Centre, Independence House will continue to lose out as tenants elect to be located in central Richmond.”

5.9 This position is also emphasised by Lichfields in the Employment Evidence review, where it is concluded (at Paragraph 5.2.7) that:

“The building’s location on Lower Mortlake Road – an ‘out of town’ location in office market terms – is no longer attractive to office occupiers seeking accommodation in Richmond town centre. The building requires extensive refurbishment to bring it up to the minimum standard required by occupiers, although in the current market this remains financially unviable to proceed with.

5.10 The report also concludes (at Paragraph 5.2.5) that:

“Through its proposals for Independence House as a Key Business Area, the Publication Draft Local Plan has taken forward a legacy designation that was based on an assessment last undertaken eight years ago. Since then, the market has undergone significant structural change and the building has been vacant for the last three years. The continued designation of Independence House as a Key Business Area in the Publication Draft Local Plan is not supported or justified by the Council’s evidence base nor the latest market signals presented in this report.”

5.11 It is clear that were the KBAs objectively reviewed as part of this Local Plan process and updated evidence base then it would have been identified that the building has been empty since WGS vacated in 2020 and not currently in office use. In the absence of evidence to the contrary, based on the evidence given in the Marketing Report by Stirling Shaw and Employment Evidence review by Lichfields, it is not considered that the rolling forward of this former designation (which has not been informed by any up-to-date analysis of the proposed KBAs) is justified or appropriate.

5.12 Furthermore, it is evidenced that Independence House makes no contribution to the Richmond local economy or office market and has not done so for a number of years. The Employment Evidence review demonstrates that the loss of office floorspace at Independence House would therefore have no material effect upon the overall demand/supply balance for office space across the Borough over the new Local Plan period, nor on the performance of the current office market in Richmond.

5.13 As such, by reference to Response Form Question 4, in this regard the draft Local Plan is not considered to meet the tests of 'soundness' set out in Paragraph 35 of the NPPF for the reasons identified above and summarised below:

- **The Plan is not positively prepared:** It has not been undertaken using up-to-date evidence to justify designation of Independence House within a Key Business Area. No objective assessment of the building's economic significance to the local office market has been undertaken to justify the policy allocation.
- **The Plan is not justified:** There is no detail identifying why these specific out-of-centre locations have been allocated as a Key Business Area. As such there is no clear audit trail as to why these sites have been brought forward and not reviewed in the light of recent significant changes to the employment market (as identified in the ELPNA 2) and the long-term vacancy of Independence House. If this were undertaken, it would be found that Independence House has been vacant for over 3 years with no reasonable prospect of being used for business purposes based upon the Council's and WSG's evidence. The 'sound' approach would be to therefore revise the boundaries of the KBAs to the defined town centres and business parks and provide ongoing reviews on the relevance of the designation of sites outside of these areas, such as Independence House, which should be removed from this designation. This position is also supported by the findings of Lichfields' Employment Evidence review (set out in more detail in b) below) which demonstrate that, in the context of the surplus of office floorspace which Lichfields forecast across the Local Plan period (challenging the position in ELPNA 2), the loss of Independence House from the Borough's office inventory would have no material impact on the Borough-wide demand/supply balance for office space.
- **The Plan is not consistent with National or London-wide Policy:** The Plan is not consistent with NPPF and other relevant policy in particular with regard to: promoting a sustainable pattern of development; optimising the use of land no longer suitable for its existing use; and considering the specific locational requirements of different sectors in suitable accessible locations. Specifically, this relates to NPPF Paragraphs 82, 120 and 122. Paragraph 122 states that: *"Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability"*.

b) That the Draft Policy 23 ‘Offices’ and its supporting text and Appendix 2, is not justified by the Council own Evidence Base and is not in conformity with the NPPF or the London Plan.

- 5.14 Draft Policy 23 and its supporting text does not provide a mechanism for the conversion of surplus office space within the Borough, with it being stated that any proposals resulting in a net loss of office floorspace will be refused. It is considered that the Council’s approach is not justified by its own evidence and that a more flexible and pragmatic approach is now required for the managed release of surplus office floorspace. As identified in the Employment Evidence review, office requirements over the plan period have significantly decreased and vacancy rates have increased above healthy levels. It is demonstrated that some loss of the surplus or functionally redundant office space, that clearly exists in the Borough (such as Independence House), is required to help the office market reach equilibrium.
- 5.15 The policy as drafted has been prepared following the publication of two versions of the ELPNA, the latest of which was published in April 2023. The latest version identifies that whilst there is a need for business space in the Borough, this need is significantly less (68.5%) than that identified originally in 2021. It goes on to suggest that there could be some scope for the loss of office floorspace but limits this conclusion to locations outside the Article 4 areas in the short term until demand increases. Specifically, it considers this figure to be 15,000sqm, which is a significant material change when compared to the evidence put forward as part of the Regulation 18 draft Local Plan. Notwithstanding this, the only change made to the Council’s drafting of Draft Policy 23 is to remove the requirement for redevelopment proposals to contribute to a net increase in office floorspace.
- 5.16 While acknowledging that the ELPNA 2 has employed what appears to be a more pragmatic approach to estimating future office requirements, Lichfields have reviewed the evidence base and consider the analysis presented in terms of future office supply within the ELPNA 2 to be incomplete. They note that the ELPNA 2 only considered extant/unimplemented planning permissions in arriving at a figure for future office supply but consider that this significantly underestimates the overall scale of supply that could be available to meet office needs over the plan period. In particular, they consider that the omission of provision from identified mixed-use allocations in the Local Plan to be a key deficiency in the Council’s evidence and, taking this into account on a conservative estimate, consider that the Borough’s emerging office floorspace supply could total at least 46,060 sqm. When compared against the office floorspace need figure for the Local Plan period of 36,140 sqm identified in the ELPNA 2, this results in a surplus of 9,920 sqm of office floorspace which could be even higher if the proposed mixed-use allocations are able to deliver a greater quantum of office floorspace than has been conservatively assumed for their analysis. This is significant as it demonstrates that the Borough’s pipeline of office

space supply is more than sufficient in quantitative terms to accommodate the future office needs identified in the ELPNA 2.

- 5.17 They also consider there to be no evidence to support the suggestion in ELPNA 2 that, despite the finding that the short-term efficient operation of the office market in the Borough would not be affected if some of the Borough's existing vacant floorspace was lost, this short term loss of office space should only be allowed outside of the KBAs. Their key conclusions on this matter at Paragraph 5.2. are as follows:

“The Council’s latest employment evidence, published in April 2023 as part of the ELPNA Update, identifies a requirement for 22,860 sq.m of office space over the study period to 2041, which is significantly lower in scale than that identified by the earlier 2021 ELPNA study.

This updated evidence acknowledges the high vacancy rates that currently characterise the Borough’s office market, and recommends a notable change in approach through planning policy to respond to this, concluding that the short-term efficient operation of the office market in the Borough would not be affected if some of the Borough’s existing vacant floorspace was lost. Indeed, the evidence implies some loss of office space being required to help the office market reach equilibrium, and so be able to function more effectively. The ELPNA’s suggestion that this short term loss of office space should only be allowed outside of Key Office Areas/Key Business Areas is not justified by evidence nor the market reality that some of these areas (including Independence House) make no meaningful contribution to the Borough’s economy and office market.

Despite this definitive conclusion, the Council’s proposed approach through the emerging Local Plan is to maintain its strict ‘no net loss of office floorspace’ policy which features in the adopted Local Plan but has proved to be wholly ineffective over recent years, with the overall stock of office space gradually declining. This approach is no longer justified by the Council’s own latest employment evidence and therefore cannot be considered sound.

A more flexible and pragmatic approach is now required through proposed Policy 23 in order to respond to the significant supply of functionally redundant office space

that exists across the Borough’s office market and to more effectively encourage provision of high-quality accommodation that better meets the needs of local businesses. An overly-protective approach towards retaining existing surplus office accommodation – such as Independence House – risks stymieing the ability of the market to deliver future office space of the type and location that is more aligned to modern business needs over the next Local Plan period. This runs counter to the provisions of National Planning Policy Framework (NPPF) paragraph 82 which requires policies to “allow for new and flexible working practices”.”

- 5.18 It is observed that Draft Policy 23 as currently worded seeks to strengthen the position adopted in the existing Local Plan (Policy 41). However, as detailed in the supporting evidence to these representations since the adoption of the 2018 Local Plan there have been significant changes to the market, including the implementation of Brexit and the changes to working practice following the Covid-19 pandemic, which have materially impacted the demand for office space and levels of supply. Indeed, it is considered that the evidence suggests that there is an oversupply of office accommodation in this location, with it projected that the supply in Richmond Town Centre could take nearly 12 years to be absorbed based on recent average take-up rates.
- 5.19 Furthermore there is, as detailed in the policy review at Section 3 of this Statement, a clear policy drive both at National and London-wide levels to seek to protect existing office stock for employment uses on the understanding that flexibility is needed to allow for the conversion to other uses, to include housing, where appropriate. In particular, where there is surplus office accommodation or where there is no reasonable prospect of these being used for business purposes, as set out in London Plan Policy E1.
- 5.20 If the draft Local Plan fails to continue the same policy approach as is adopted at national and London-wide levels (i.e. to recognise and set out the parameters for when surplus office space can be considered appropriate for other uses), it is considered to fail to accord with the requirement at Paragraph 11 of the NPPF to apply a presumption in favour of sustainable development. For plan-making this means, amongst other things, that all plans should promote a sustainable pattern of development. It is also considered to be an unduly inflexible approach contrary to London Plan Policy E1, which identifies at Part I that conversion of offices to residential is supported where it is found not to be appropriate for a range of employment uses including subdivision.

5.21 Accordingly, the proposed wording of Policy 23, which states that: *“Proposals which result in a net loss of office floorspace will be refused”*, is not considered to be justified by its evidence base and is not in conformity with the London Plan.

5.22 Similarly, this blanket restriction is echoed at Appendix 2 of the draft Local Plan, which outlines the Council’s proposed Marketing Requirements. At the start of the appendix Paragraph 28.1 set out that:

“A number of policies in this Local Plan require marketing evidence to be submitted for applications involving the loss of certain uses in order to provide justification that those sites are no longer required for their existing uses” (Our underlining)

5.23 The requirements of offices are outlined at Paragraph 28.9; however, Paragraph 28.10 then goes on to state that:

“Please note that provision of marketing will not be accepted as justification for an exception to policy; there should be no net loss of office floorspace”.

5.24 It is not considered that this blanket protection is justified or in conformity with the London Plan for the reasons set out above.

5.25 With regards to the wider Draft Plan, it is considered that the wording of Draft Policy 23 contradicts the position of other sections. Of note:

- It does not make a distinction between sites inside and outside of the suggested KBAs, instead setting out a blanket policy position resisting loss of office space across the Borough. It is therefore unclear why the designation of the KBAs is necessary going forward, with this having no impact on the use of the Article 4 direction to prevent conversion within the established areas to residential. While the ELPNA 2 suggests that short-term loss of office space could be justified outside the Borough centres/areas covered by Article 4 directions, this is not reflected in the draft policy and, in any event (as detailed above), Lichfields challenge the evidential basis for this finding.
- It is implied at Paragraph 17.9 that use of office space for residential purposes could be acceptable subject to compliance with Policies 23 (“Offices”) and 24 (“Industrial Land”) and Policy 11 references employment sites specifically when considering affordable housing provision. However, this contradicts that Policy 23 does not provide a mechanism to convert business floorspace into residential use.

- The supporting text to Policy 23 suggests that marketing can be used, and the evidence needed in this regard is detailed in full at Appendix 2. However, the supporting text and Appendix 2 suggest that the provision of marketing will not be accepted as justification for an exception to policy and that there should be no net loss of office floorspace. No detail is given to what other information would be required. The Plan as drafted is therefore unjustified and does not provide a coherent process for when the loss of office space would be considered acceptable.

5.26 As such, by reference to Response Form Question 4, in this regard the Draft Local Plan is not considered to meet the tests of ‘soundness’ for the reasons identified above and summarised below:

- **The Plan is not positively prepared:** it does not respond to the position set out in the ELPNA 2, which identifies that managed loss of office space in the short term could be acceptable. Furthermore, the Marketing Report and Employment Evidence review (accompanying these Representations) identify that there needs to be more flexibility in Draft Policy 23 to reflect localised demand and the release of surplus office accommodation for more beneficial land uses. In terms of the plan as a whole there is a failure to define a coherent approach to when the loss of office space could be acceptable.
- **The Plan is not justified:** The ELPNA 1 suggested that the policies relating to offices and business floorspace should be tightened in the light of the predicted need. The current wording of Draft Policy 23 would suggest that it has been informed by this recommendation. However, the position in the updated evidence base (ELPNA 2) has changed significantly in respect of demand and vacancy levels, and yet that this has not been reflected in the drafting of Draft Policy 23. While there has been some limited change to the supporting text to note the updated findings in the ELPNA 2, the policy wording has not changed between the Regulation 18 and Regulation 19 drafts other than to remove a requirement for proposals involving redevelopment of office sites to provide a net increase in office floorspace. Furthermore, as identified in the Employment Evidence review by Lichfields, there are deficiencies in the analysis presented in terms of future office supply within the ELPNA 2 and Lichfields find a surplus of office floorspace over the Local Plan period which weighs further in favour of less restrictive policy. In the light of this, the sound approach (and reasonable alternative) would be to detail within the Policy an appropriate mechanism for the managed release of surplus office space across the Borough and the form of evidence that would be necessary to do so. In addition, a blanket objection to the loss of offices in KBAs is also not justified by the Council’s own evidence.
- **The Plan is not consistent with National or London-wide Policy:** the position taken by the draft Local Plan is contrary to the position in the London Plan, which identifies that conversion of surplus

office space to residential is supported, subject to clear provisions within the policy wording. It is also contrary to Paragraph 120 of the NPPF, which emphasises that policies should promote and support the development of under-utilised land and buildings, and Paragraph 16 of the NPPF, with Draft Policy 23 and its supporting text and appendices providing competing positions, partially opening the door to making an evidence-based case for loss of office space but without providing a clear mechanism for the reuse of surplus office space.

c) **Summary**

5.27 From review of the evidence base and Draft Local Plan, it is concluded that the policies and supporting text relevant to office space (Draft Policy 23 and at Appendix 2) are not 'sound' or 'legally compliant'. This is both with regards to the specific allocation of Independence House within a Key Business Area and the lack of an unambiguous mechanism to justify the loss of surplus office space. Specific changes sought to the Regulation 19 Local Plan to address these matters are provided at Section 6 of this Statement.

Section 6 Changes Required to Make the Draft Local Plan ‘Sound’

- 6.1 By reference to Response Form Question 7, this section of the Representations identifies changes are required to make the Richmond Proposed Submission Local Plan sound and legally compliant insofar as draft policy 23 and the designation of KBAs is concerned. Specifically, the changes are required to ensure the plan is positively prepared, justified and consistent with National and London-wide policy as identified in the preceding section of this Statement.
- 6.2 To address the concerns raised with regard to soundness and specifically the failure of the draft Local Plan to appropriately provide a mechanism whereby surplus office space can be used for other purposes, changes are sought in the context of spatial strategy and its supporting text. The specific changes required to make the plan ‘sound’ are as set out in the following Schedule of Required Changes (changes required shown in red underlined/struck through where relevant).

Schedule of Required changes
<p><u>Draft Policy 23 ‘Offices’ and Supporting Text</u></p> <p>A) "There is a presumption against the loss of office floorspace in all parts of the borough. Proposals which result in a net loss of office floorspace will be refused. Any refurbishment of existing office floorspace should improve the quality, flexibility and adaptability of office space of different sizes (for micro, small, medium-sized and larger enterprises) as set out in London Plan Policy E1.</p> <p>[Insert] The loss of office floorspace will only be accepted where such floorspace is surplus or no longer suitable for the purposes of meeting market demand. This must be demonstrated by satisfactory marketing evidence prepared in accordance with the requirements set out at Appendix 2 and evidence of demand and supply. [End]</p> <p><u>Paragraph 19.19</u></p> <p>“Where a proposal involves a change of use involving the loss of office floorspace not supported by policy, the Council will require satisfactory marketing evidence together with sufficient evidence of demand and supply. An application is expected to set out why it is not suitable for continued commercial, business or service uses, and the site should be marketed both for its existing office use and alternative employment generating uses including as flexible, start-up or co-working space. Prices should be based on the local office market and on the existing quality of the accommodation. A full and proper marketing exercise can be submitted in accordance with the marketing requirements in Appendix 2.</p>

~~Such evidence will be a material consideration, however provision of marketing in itself does not justify an exception to policy."~~

Paragraph 19.24

This paragraph is no longer considered necessary in the light of the existing Article 4 direction and Policy 23.

Paragraph 19.25

Omission of "84 Lower Mortlake Road, Richmond" from list of Key Business Areas.

Page 258 'Policy Map Designations'

Updated to include "Independence House, 84 Lower Mortlake Road has been removed as there is no existing office use".

Appendix 2

Paragraph 28.10

~~"Please note that provision of marketing will not be accepted as justification for the net loss of office space on its own. It will need to be supported by evidence of demand and supply. an exception to policy; there should be no net loss of office floorspace."~~

Paragraph 28.12

~~Please note that provision of marketing will not be accepted as justification for an exception to policy; there should be no net loss of office floorspace.~~

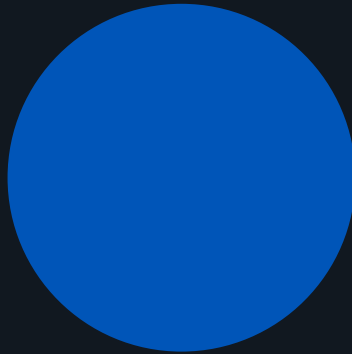
Proposed Policies Map

Removal of the 'Key Business Area' designation to Independence House, 84 Lower Mortlake Road.

- 6.3 Early discussion with the Council with regard to the Representations made and suggested changes would be welcomed.

**Appendix 1 - List of relevant online planning history associated with 84 Lower
Mortlake Road**

Ref	Approved / Refused	Date	Description
72/1155	App	1972	Replacement of main doors with new window and brickwork. Alterations to fenestration and removal of toilets on ground and first floors.
72/1598	App	1972	Use of industrial parts of existing office and industrial building for office purposes only and erection of porch at front of building.
73/0414	App	1973	Provision of car parking area.
84/0412	Ref (at appeal)	1985	Demolition of the existing office building and redevelopment to provide 1,482.59 sq m of new office building.
85/1276	App	1985	Erection of part two storey, part four storey office building with parking at basement level and ground level for a total of 40 cars.
87/0427	App	1987	Erection of part two storey, part three storey and part four storey office building with parking at basement level and ground level for a total of 40 cars. (Amended Plan No.(s) 2922/139A and 219B received on 31.3.1987).
87/0427/DD02	App	1988	Details pursuant to cond 14
88/1312	App	1988	Retention of plan above 3rd floor roof and erection of universal louvre screening. (Amended Plan No.(s) 2922/219F and 2922/890A received on 6.7.88).
87/0427/DD03	App	1988	Details pursuant to cond 3
89/0245/FUL	App	1989	New rear door and balustrading to provide disabled access to the building involving the loss of 2 car parking spaces
01/2046/FUL	App	2002	Erection Of Rear Extensions And Infill Of Part Of The Undercroft To Provide Additional Office Accommodation And Re-siting Of Refuse Storage Area.
01/2046/DD01	App	2002	Details pursuant to cond BD12
02/1225	App	2002	Infill Of Part Of The Undercroft To First Floor To Provide Offices (b1) (amendment To Permission 01/2046/ful).
20/3359/FUL	App	2021	Extension of existing 4 storey Class E Office building to provide new entrance, enlarged office space and external terraces.



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Local Plan Publication Consultation

From 9 June 2023 to 24 July 2023

RESPONSE FORM

The Council is inviting comments on the Publication version of the Local Plan.

The Local Plan sets out a 15-year strategic vision, objectives and the spatial strategy. The draft Plan includes place-based strategies covering the whole borough, along with accompanying site allocations, as well as the thematic planning policies that will guide future development in the borough. It will inform how growth will be accommodated across the borough. The draft Plan seeks to address future challenges including climate change, health, affordability and liveability.

This consultation is the final opportunity to comment on the Local Plan before it is submitted to the Secretary of State for independent 'examination in public'. At this stage in the plan-making process, in accordance with the national guidance, consultation responses should focus on whether the Local Plan has been developed in compliance with the relevant legal and procedural requirements, including the duty to cooperate, and with the 'soundness' of the Plan. Further detail on these concepts is provided in the accompanying guidance notes available on the website (via the link below).

How to respond

Please read the consultation documents and other background information made available on the Local Plan website: [**www.richmond.gov.uk/draft_local_plan_publication_version**](http://www.richmond.gov.uk/draft_local_plan_publication_version)

You can respond by completing this form, either electronically using Word or as a print out, and sending it to the Council by:

- Email to LocalPlan@richmond.gov.uk
- Post a hard copy of the form to Spatial Planning and Design, LB Richmond upon Thames, Civic Centre, 44 York Street, Twickenham, TW1 3BZ.

Alternatively, you can make comments on the draft Local Plan **online via our Consultation Portal**, which is accessible at the website listed above.

All responses must be received by 11:59pm on Monday 24 July 2023. The consultation is open to everyone; however please note that responses will not be treated as confidential and those submitted anonymously will not be accepted.

This form has two parts:

- Part A – Personal details and about you
- Part B – Your detailed response(s).

Part A: Personal Details		
	1. Personal Details *	2. Agent's Details (if applicable)
Title	N/a	Mr
First name	N/a	Tim
Last name	N/a	Humphries
Job title (where relevant)	N/a	Associate
Organisation (where relevant)	William Grant & Sons Ltd	Firstplan
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Postcode		SE1 9PL
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*If an agent is appointed, please complete only the title, name and organisation boxes but complete the full contact details of the agent.

Data protection

The Council is committed to ensuring that personal data is processed in line with the General Data Protection Regulation (GDPR) data protection principles including keeping data secure.

The Council's Privacy Notice is published on the webpage www.richmond.gov.uk/data_protection

All responses will be held by the London Borough of Richmond upon Thames. Responses will not be treated as confidential and will be published on our website and in any subsequent statements; however, personal details like address, phone number or email address will be removed.

If you submit comments, the consultation responses and your personal data will be passed to the Planning Inspectorate and a Programme Officer. The Programme Officer manages the procedural and administrative aspects of the examination. The Programme Officer will contact you using the personal

information you have provided if you have indicated in the response form your wish to engage in the Examination.

Part B: Your Response

3. To which part(s) of the draft Local Plan does your response relate to?

Please indicate the documents **and** the specific paragraph numbers, policy or site allocation numbers and names, maps or tables you are commenting on.

Documents		Sections	
Publication Local Plan (including changes to the Policies Map designations)	<input checked="" type="checkbox"/>	Page number(s)	257, 258, 259, 260 & 411
		Paragraph number(s)	19.19, 19.24, 19.25, 28.10 & 28.12
		Policy no./name	Policy 23 'offices'
		Place-based strategy	
		Site Allocation(s) no./ name	Key Business Areas
		Maps	Policies map
		Tables	
Sustainability Appraisal Report	<input type="checkbox"/>	Page number(s)	
		Paragraph number(s)	
Other (for example an omission or alternative approach)	<input checked="" type="checkbox"/>	Employment Land and Premises Needs Assessment (2021 and 2023 versions)	

4. Do you consider the Local Plan is:

4.1 Legally compliant	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
4.2 Sound	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
4.3 Complies with the Duty to Co-operate	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Further information on these terms is included within the accompanying guidance note, which can be found on the website at www.richmond.gov.uk/draft_local_plan_publication_version

If you have entered 'No' to 4.2, please continue with Q5. Otherwise, please go to Q6.

5. Do you consider the Local Plan is unsound because it is not:

5.1 Positively Prepared	<input checked="" type="checkbox"/>
5.2 Justified	<input checked="" type="checkbox"/>
5.3 Effective	<input type="checkbox"/>

5.4 Consistent with national policy



6. Please give details of why you consider the Local Plan is or is not legally compliant, unsound or fails to comply with the duty to co-operate. Please be as precise as possible. If you wish to provide comments in support of the legal compliance and/or soundness of the Local Plan, or its compliance with the duty to co-operate, please use this box to set out your comments.

Please note your response should provide succinctly all the information, evidence and supporting information necessary to support / justify the response. After this stage, further submission will only be at the request of the Inspector, based on the matters and issues they identify for examination.

Please refer to the supporting document titled 'Response by William Grant & Sons Ltd', dated July 2023' prepared by Firstplan Ltd on behalf of William Grant & Sons Limited. This provides our detailed response as to the basis for which the Draft Local Plan is not considered legally compliant or sound on the following grounds:

- Matter 1: That the allocation of Independence House, 84 Lower Mortlake Road as a Key Business Area is not justified or appropriate; and
- Matter 2: That the Draft Policy 23 'Offices' and its supporting text and Draft Appendix 2, is not justified by the Council own Evidence Base and is not in conformity with the NPPF or the London Plan.

Appended to this supporting document are a Marketing Report prepared by Stirling Shaw and a review of the Council's Employment Evidence prepared by Lichfields.

For the purposes of this form, we have extracted the key conclusions for ease of reference but this is no substitute for a full review of the supporting document and appendices.

Matter 1:

- **The Plan is not positively prepared:** It has not been undertaken using up-to-date evidence to justify designation of Independence House within a Key Business Area. No objective assessment of the building's economic significance to the local office market has been undertaken to justify the policy allocation.
- **The Plan is not justified:** There is no detail identifying why these specific out-of-centre locations have been allocated as a Key Business Area. As such there is no clear audit trail as to why these sites have been brought forward and not reviewed in the light of recent significant changes to the employment market (as identified in the ELPNA 2) and the long-term vacancy of Independence House. If this were undertaken, it would be found that Independence House has been vacant for over 3 years with no reasonable prospect of being used for business purposes based upon the Council's and WSG's evidence. The 'sound' approach would be to therefore revise the boundaries of the KBAs to the defined town centres and business parks and provide ongoing reviews on the relevance of the designation of sites outside of these areas, such as Independence House, which

should be removed from this designation. This position is also supported by the findings of Lichfields' Employment Evidence review (set out in more detail in b) below) which demonstrate that, in the context of the surplus of office floorspace which Lichfields forecast across the Local Plan period (challenging the position in ELPNA 2), the loss of Independence House from the Borough's office inventory would have no material impact on the Borough-wide demand/supply balance for office space.

- **The Plan is not consistent with National or London-wide Policy:** The Plan is not consistent with NPPF and other relevant policy in particular with regard to: promoting a sustainable pattern of development; optimising the use of land no longer suitable for its existing use; and considering the specific locational requirements of different sectors in suitable accessible locations. Specifically, this relates to NPPF Paragraphs 82, 120 and 122. Paragraph 122 states that: *"Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability"*.

Matter 2:

- **The Plan is not positively prepared:** it does not respond to the position set out in the ELPNA 2, which identifies that managed loss of office space in the short term could be acceptable. Furthermore, the Marketing Report and Employment Evidence review (accompanying these Representations) identify that there needs to be more flexibility in Draft Policy 23 to reflect localised demand and the release of surplus office accommodation for more beneficial land uses. In terms of the plan as a whole there is a failure to define a coherent approach to when the loss of office space could be acceptable.
- **The Plan is not justified:** The ELPNA 1 suggested that the policies relating to offices and business floorspace should be tightened in the light of the predicted need. The current wording of Draft Policy 23 would suggest that it has been informed by this recommendation. However, the position in the updated evidence base (ELPNA 2) has changed significantly in respect of demand and vacancy levels, and yet that this has not been reflected in the drafting of Draft Policy 23. While there has been some limited change to the supporting text to note the updated findings in the ELPNA 2, the policy wording has not changed between the Regulation 18 and Regulation 19 drafts other than to remove a requirement for proposals involving redevelopment of office sites to provide a net increase in office floorspace. Furthermore, as identified in the Employment Evidence review by Lichfields, there are deficiencies in the analysis presented in terms of future office supply within the ELPNA 2 and Lichfields find a surplus of office floorspace over the Local Plan period which weighs further in favour of less restrictive policy. In the light of this, the sound approach (and reasonable alternative) would be to detail within the Policy an appropriate mechanism for the managed release of surplus office space across the Borough and the form of evidence that would

be necessary to do so. In addition, a blanket objection to the loss of offices in KBAs is also not justified by the Council's own evidence.

- **The Plan is not consistent with National or London-wide Policy:** the position taken by the draft Local Plan is contrary to the position in the London Plan, which identifies that conversion of surplus office space to residential is supported, subject to clear provisions within the policy wording. It is also contrary to Paragraph 120 of the NPPF, which emphasises that policies should promote and support the development of under-utilised land and buildings, and Paragraph 16 of the NPPF, with Draft Policy 23 and its supporting text and appendices providing competing positions, partially opening the door to making an evidence-based case for loss of office space but without providing a clear mechanism for the reuse of surplus office space.

Summary:

From review of the evidence base and Draft Local Plan, it is concluded that the policies and supporting text relevant to office space (Draft Policy 23 and at Appendix 2) are not 'sound' or 'legally compliant'. This is both with regards to the specific allocation of Independence House within a Key Business Area and the lack of an unambiguous mechanism to justify the loss of surplus office space.

Please continue on a separate sheet / expand box if necessary.

7. Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, when considering any legal compliance or soundness matter you have identified at 6 above.

Please note that non-compliance with the duty to co-operate is incapable of modification at examination.

You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

Please note your response should provide succinctly all the information, evidence and supporting information necessary to support / justify the suggested change. After this stage, further submission will only be at the request of the Inspector, based on the matters and issues they identify for examination.

Please refer again to the supporting document titled 'Response by William Grant & Sons Ltd', dated July 2023'. This sets out in detail the proposed changes to Draft Policy 23 'Offices' and the supporting text, along with the basis for these changes. The following is simply an extract of the proposed changes but again is no substitute for a full review of the supporting document and appendices

Draft Policy 23 'Offices' and Supporting Text

- A) There is a presumption against the loss of office floorspace in all parts of the borough. ~~Proposals which result in a net loss of office floorspace will be refused.~~ Any refurbishment of existing office floorspace should improve the quality, flexibility and adaptability of office space of different sizes (for micro, small, medium-sized and larger enterprises) as set out in London Plan Policy E1.

[Insert]

~~The loss of office floorspace will only be accepted where such floorspace is surplus or no longer suitable for the purposes of meeting market demand. This must be demonstrated by satisfactory marketing evidence prepared in accordance with the requirements set out at Appendix 2 and evidence of demand and supply.~~

[End]

Paragraph 19.19

~~"Where a proposal involves a change of use involving the loss of office floorspace **not supported by policy**, the Council will require satisfactory marketing evidence **together with sufficient evidence of demand and supply**. An application is expected to set out why it is not suitable for continued commercial, business or service uses, and the site should be marketed both for its existing office use and alternative employment generating uses including as flexible, start-up or co-working space. Prices should be based on the local office market and on the existing quality of the accommodation. A full and proper marketing exercise can be submitted in accordance with the marketing requirements in Appendix 2. **Such evidence will be a material consideration, however provision of marketing in itself does not justify an exception to policy.**"~~

Paragraph 19.24

This paragraph is no longer considered necessary in the light of the existing Article 4 direction and Policy 23.

Paragraph 19.25

Omission of "84 Lower Mortlake Road, Richmond" from list of Key Business Areas.

Page 258 'Policy Map Designations'

Updated to include "Independence House, 84 Lower Mortlake Road has been removed as there is no existing office use".

Appendix 2

Paragraph 28.10

“Please note that provision of marketing will not be accepted as justification for ~~the net loss of office space on its own. It will need to be supported by evidence of demand and supply. an exception to policy; there should be no net loss of office floorspace.~~”

Paragraph 28.12

~~Please note that provision of marketing will not be accepted as justification for an exception to policy; there should be no net loss of office floorspace.~~

Proposed Policies Map

Removal of the ‘Key Business Area’ designation to Independence House, 84 Lower Mortlake Road.

Please continue on a separate sheet / expand box if necessary.

8. Do you consider it necessary to participate in examination hearing session(s)? (Please tick box as appropriate)

No, I do not wish to participate
In hearing session(s)

Yes, I wish to participate
In hearing session(s)

Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

9. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.

Should the Draft Local Plan not be updated as suggested in this submission then we will need to present the reasoning for our client's position, to include updated Marketing evidence where necessary.

Please continue on a separate sheet / expand box if necessary.

10. If you are not on our consultation database and you respond to this consultation, your details will be added to the database. This allows us to contact you with updates on the progression of the Local Plan and other planning policy documents.

If you do not wish to be added to our database or you would like your details to be removed, then please tick this box.

Signature:
For electronic responses a typed signature is acceptable.

Tim Humphries

Date:

21.07.23