



17<sup>th</sup> October 2019

**Delivered by email**

Planning Policy Team  
Planning Policy  
Islington Council  
Town Hall  
Upper Street  
London  
N1 2UD

Dear Sir / Madam,

**SUBMISSION OF REPRESENTATIONS TO ISLINGTON'S LOCAL PLAN: STRATEGIC AND DEVELOPMENT MANAGEMENT POLICIES (SEPTEMBER 2019) AND THE POLICIES MAP - CHANGES FROM ADOPTED LOCAL PLAN) (SEPTEMBER 2019); REGULATION 19 OF THE TOWN AND COUNTRY PLANNING (LOCAL PLANNING) (ENGLAND) REGULATIONS 2012**

We write on behalf of our client, H.J Francis Ltd, in relation to the property and land commonly referred to as '*the rear of No.2 Melody Lane, London, N5 2BQ*' (hereafter referred to as ('the site')).

We hereby formally submit these representations to the '*Islington Local Plan: Strategic and Development Management Policies*' document (September 2019) and the '*Policies Map - changes from the adopted Local Plan*' document, (September 2019).

The first part of these representations refers to the '*Policies Map - changes from the adopted Local Plan*' document, which designates the site as a '*Locally Significant Industrial Site*'. The latter part of our representations responds to the relevant policies highlighted within the Local Plan '*Strategic and Development Management Policies*' document.

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## Response to Islington's Local Plan: Policies Map - changes from adopted Policies Map, Sept 2019

The draft '*Policies Map - changes from current adopted policies map*' document and the draft '*Policies Map – Regulation 19 version*' plan have been produced to highlight specific changes proposed to existing designations within the adopted Local Plan, as well as highlighting new designations. Having reviewed these documents, we hereby make the following representations on behalf of our client.

Our client owns the land and property commonly referred to as '*the rear of No.2 Melody Lane*' (see Appendix 1, which shows a plan of the site). This site has been designated as a '*Locally Significant Industrial Site*' (LSIS) within Section 9 of the '*Policies Map – changes from current adopted policies map*'. This section of the document provides maps showing the boundaries of the newly proposed LSIS site at Melody Lane.

Paragraph 9.2 within the document indicates that all of the proposed LSIS sites were previously designated as Economic Growth Areas (EGA) within the Development Management Policies DPD, which was adopted in June 2013.

Figures 1.1 below provides an extract from the adopted Policies Map document showing the current EGA boundary, with the client's site immediately to the south, outside of this designation.

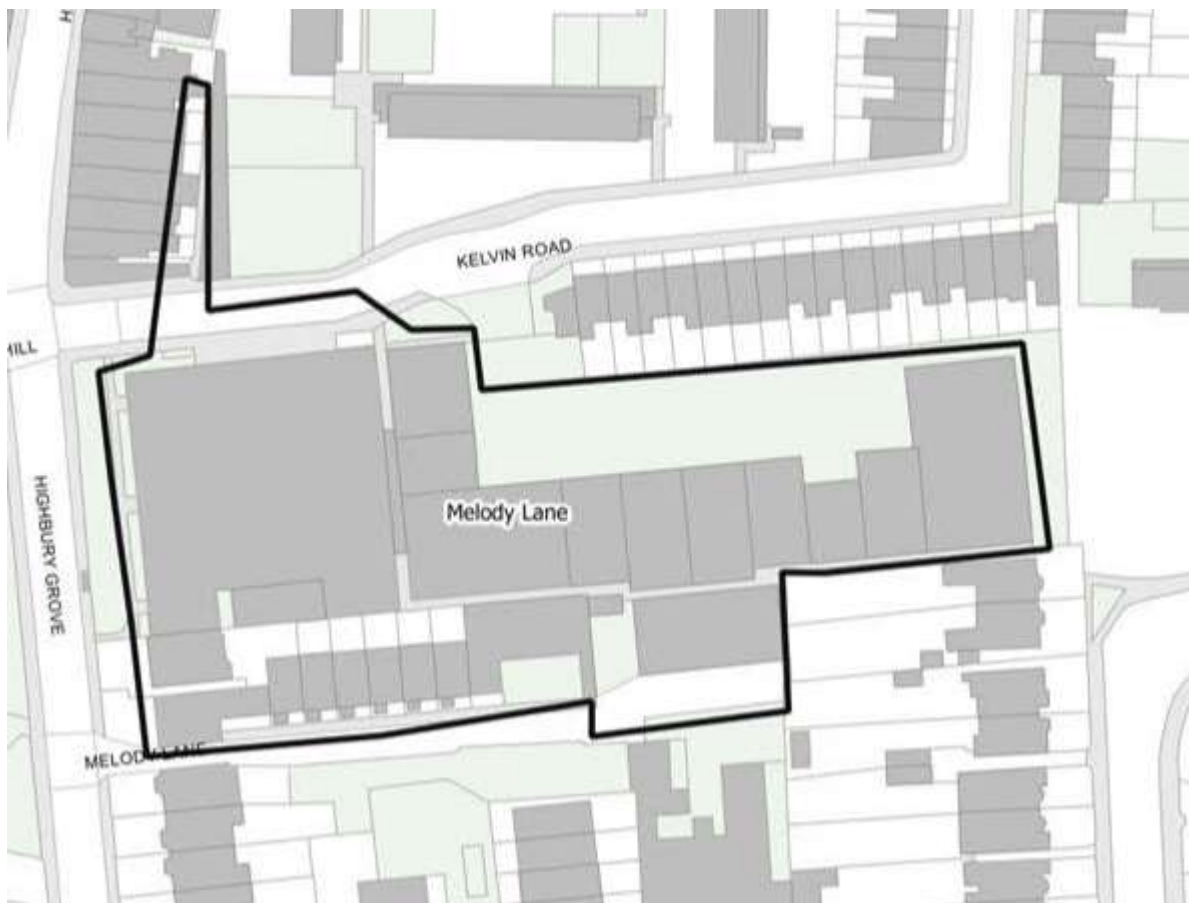


Figure 1.1: Extract showing current EGA designation, the rear of 2 Melody Lane, lies to the south

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Figure 1.2 provides a map showing the boundary of the draft LSIS designation which includes our client's site, to the south.



Figure 1.2: Extract showing the rear of 2 Melody Lane within the proposed LSIS designation

Our client's site at Melody Lane was originally part of a larger industrial building constructed in the inter war years, which was used as an electronics factory. It is important to note that this once factory site has since been developed to make way for residential development over the past 10-15 years (see Figures 1.3 and 1.4 below for photographs of adjacent residential schemes at Melody Lane).

The first residential planning permission was at '58A (known as 'Aircool Site' at rear of no.58) Highbury Grove, London, N5' (immediately west of our client's site). It involved the demolition of factory structures and the development of 9 three-storey town houses (ref: P050410), which was granted on 11<sup>th</sup> May 2005. Later, planning permission (ref: P051375) at the same site was granted on 12<sup>th</sup> December 2005 for a further five dwellings (14 in total).

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Additionally, planning permission (ref: P121884) was granted by Islington Council on 28th April 2014 for the redevelopment of the site at 58 Highbury Grove, London, N5 2AG, which lies immediately to the north-west of the site. The scheme included the creation of 6 three storey dwellings and two converted flats alongside the provision of commercial floorspace.



Figure 1.3: View of adjacent residential development at No.58 'A' Highbury Grove

Therefore, approximately 20 houses have been developed adjacent to the site in the past 15 years. This development has led to the character of the area evolving from a predominantly industrial area to a mixed residential and commercial area.

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Figure 1.4 View of adjacent residential-led mixed-use development at No.58 Highbury Grove

In this regard, we consider that the extension and promotion of industrial uses at the site would result in a conflict with these adjacent residential properties. Furthermore, it is reasonable to expect that most industrial uses would require heavy goods vehicles (HGVs), which can result in frequent trips over the course of a day, depending on the specific use. We consider that this would increase traffic and parking pressures on Melody Lane and result in a detrimental impact and potential conflict with the residential neighbours' in terms of noise, amenity and parking impact etc.

Furthermore, we consider that the location of the site is far from ideal for general industrial use. Melody Lane is constrained in that much of the site is contained within a mews and is accessed via a narrow passageway, which makes it difficult for large vehicles to operate effectively.

In this instance we consider that the draft designation for a LSIS would be better suited to a less compact and constrained site within the borough. This view is supported by the Commercial Agency Letter prepared Currell Commercial (see Appendix 2).

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## Planning Permission ref: P2016/1344/FUL

We would also like to highlight that our client's site recently obtained planning permission (ref: P2016/1344/FUL) on 18<sup>th</sup> May 2018 for the following development:

*'Demolition of existing buildings and construction of 7 residential dwellings (Use Class C3) and new 3 storey (plus basement levels) 1,419 sqm self-storage building (Use Class B8), with landscaping, access and other associated works.'*

An extract of the permitted ground floor plan is provided at Figure 1.5 below. This shows the ground floor plan of the self-storage (B8 Use Class) building and the 7 terraced houses (C3 Use Class) at the site.



Figure 1.5: Ground Floor Plan of the approved development at the rear of 2 Melody Lane

The associated Planning Committee Report provided useful commentary which concluded that the principle of residential uses at the site was acceptable. Paragraph 10.22 states:

*'10.22 It is therefore the case that there is a policy presumption in favour of the delivery of new housing, and the scheme would deliver 7 new residential terraced houses which would contribute towards the Borough's housing requirements. The site is adjacent to existing residential units and would be considered a sustainable location for new dwellings.'*

It should be noted that this planning permission (ref: P2016/1344/FUL) remains live until 18<sup>th</sup> May 2021, unless implemented. Therefore, if this scheme was also developed, there would be a total of 27 houses in the immediate vicinity. It should be noted that the 7 houses granted permission (ref: P2016/1344/FUL) by Islington covers the majority of the proposed extension to the LSIS.

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Given that this area has been in industrial use since the 1930's and has only recently become residential in nature, it seems somewhat illogical to now seek to extend the LSIS onto land that benefits from permission for residential use for 7 dwellings.

#### Planning Application ref: P2019/2429/FUL

Furthermore, our client recently submitted a new planning application (ref: P2019/2429/FUL) at the site, which was validated in August 2019. The proposal seeks to provide a very similar development to the extant permission (ref: P2016/1344/FUL) at the site. It includes the construction of 7 residential dwellings in total and the provision of an 'office' building (Use Class B1(a)) in place of the permitted B8 self-storage use.

We consider the nature of the proposed mixed-use development involving residential units (C3 Use Class) and office (B1(a) Use Class) is more appropriate and in-keeping with the local character of Melody Lane. Figure 1.6 below provides the proposed ground floor plan for the planning application (ref: P2019/2429/FUL). At the time of writing, this application was still pending.



Figure 1.6: Proposed Ground Floor Plan (ref: P2019/2429/FUL)

The provision of office based employment floorspace accords with Policy 4.2 'Offices', within the adopted London Plan and Policies E1 'Offices' and E8 'Sector growth opportunities and clusters', within the Draft London Plan (DLP) (July 2019 version). This is because the proposal would support the provision of varied office space for small and medium sized enterprises as well as providing office accommodation to meet local demand.

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## Suitability of the Site for Office Employment

Furthermore, the site is located within 'Inner London' and Table 4.1 '*Demand for office based employment floorspace, 2011-2031*', within the London Plan indicates that office based employment may grow by some 67,000 jobs between 2011-2031. This results in at least one million sq. m of new office space during this time and is equivalent to 22% of total office based employment growth during the plan period.

Table 6.1 '*Projected office employment and floorspace demand 2016-2041*' accompanies Policy E1 '*Offices*' within the DLP and reinforces the findings of Table 4.1 within the London Plan. Table 6.1 indicates that the projected office-based employment is forecast to grow by 109,400 jobs between 2016-2041 in Inner London. This represents a 163% (approx.) increase to the estimated office-based job figure provided within the London Plan (67,000), and results in the need for at least 1 million sq. m (GIA) of office floorspace over the plan period.

It should be noted that the site is currently occupied by a self-storage business which comprises 1,412 sq. m (GIA) of B8 floorspace. The business employs three full-time staff which is very low level of employment that is typical of B8 self-storage businesses.

Paragraph 4.11 within the London Plan forms part of the supporting text to Policy 4.2 '*Offices*', and notes that a typical office has an employment density of 12 sq. m per worker. It also highlights that a development ratio (net to gross) of 75 – 85% is a reasonable assumption. On this basis, it is feasible that between 89 -101 employees (or jobs) could be accommodated at the site for B1(a) office use, which is considerably higher than the existing B8 use.

On this basis, we consider the site provides a suitable location to maximise the level of office employment generation in accordance with the targets set out in the adopted London Plan and the emerging DLP. Therefore, we consider the LSIS designation restricts and jeopardises the development potential at our client's site and we request that it is removed accordingly.

In summary, we consider that the draft LSIS designation should be amended to exclude our client's site. We consider the designation provides a negative response to the evolving character of this part of Melody Lane, which has become increasingly residential in recent years.

In addition, the designation conflicts with the current planning application which seeks to deliver C3 residential use and B1 (a) office floorspace. This would provide a compatible mixed-use development which would deliver much needed housing as well as maximising the job creation at the site, in accordance with the main national and local policy aims. Furthermore, when assessed in tandem with draft Policy B3 '*Existing business floorspace*', (discussed in the next section) the site would not be able to be used to provide B1 office use.

Overall, it is evident that Melody Lane has undergone a significant transition over the last two decades. While the area was originally dominated by industrial uses, it is clear that the area has evolved and is now a mixed-use area that includes office based employment and residential houses. On this basis, we consider the draft designation of LSIS is discordant with the local context and should be revised to exclude the site.

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## Response to Islington's Local Plan: Strategic and Development Management Policies, Sept 2019

The draft Local Plan: 'Strategic and Development Management Policies' comprises the principal document in the Local Plan. It sets out strategic policies to identify where and how change will happen in Islington and detailed policies to manage development.

Having reviewed the draft policies contained within the document, we hereby make the following representations on behalf of our client.

### Policy B1: 'Delivering business floorspace'

Part 'D' of Policy B1: 'Delivering business floorspace', supports the delivery of all business floorspace and the growth of small and medium enterprises. It goes on to state:

*'D. The Council will aim to secure space that fosters the development and expansion of businesses, particularly space suitable for start-ups and small businesses. This includes the delivery of affordable workspace; and the provision of small units suitable for SMEs.'*

We confirm that we support the general aim to maximise the amount of new office floorspace which serves a diverse range of businesses, particularly small units suitable for SMEs.

In addition, part 'E' of Policy B1 is relevant and states:

*'E. Islington's Locally Significant Industrial Sites are the focus for new industrial uses, namely B1(c), B2 and B8 uses. Existing industrial land and floorspace will be safeguarded and the introduction of non-industrial uses will not be permitted. The renewal, modernisation and intensification of industrial uses will be encouraged.'*

We consider the policy is very restrictive and prevents the delivery of other business floorspace at different sites across the borough. Furthermore, it removes the current planning policy flexibility that would allow the provision of office use in place of other 'B' class 'commercial' uses, that are not within LSIS.

As established, areas such as Melody Lane have evolved from a predominantly industrial area to one which is characteristic of residential development and well suited for office based employment use. Therefore, flexibility should be provided to existing industrial sites to allow more suitable mixed-use development to come forward.

In addition, whilst it is important to protect industrial uses, the aims of the adopted and emerging London Plan have indicated a growth in the demand for office-based employment floorspace. This includes the identified need of 400,000 sq. m of office floorspace noted in paragraph 4.7 of the draft Local Plan: Strategic and Development Management Policies document. We consider that restricting all industrial sites would jeopardise the potential delivery of much needed office floorspace in well-suited 'inner London' locations.

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On this basis, part 'E' of Policy B1 should be amended as follows (in red text):

*'E. Islington's Locally Significant Industrial Sites are the focus for new industrial uses, namely B1(c), B2 and B8 uses. However, existing industrial land and floorspace will be permitted to be used as alternative business uses (e.g. B1(a)) on the basis that there is no net loss of employment floorspace.'*

#### **Policy B2: 'New business floorspace'**

Part 'C' refers to employment use within LSIS, which may include Melody Lane if the proposed Proposal Map amendments are adopted. Part 'C' states:

*'C. In LSISs shown on Figure 4.1, the overriding priority land uses are industrial uses (B1(c), B2, B8 and Sui Generis uses which are akin to industrial uses). The retention and intensification of industrial uses and existing clusters of industrial activity in LSISs will be required as part of any proposal within a LSIS. The provision of hybrid space is supported. The development of office use may be permissible as part of a hybrid workspace scheme, but it must only constitute a small proportion of the overall gross floorspace proposed. The introduction of non-industrial uses would undermine the primary industrial economic function and compromise the future growth of LSISs and will therefore not be permitted unless they are clearly ancillary to a proposal. Residential use is not acceptable within LSISs.'*

We consider that this is overly restrictive and does not adequately respond to market demand. We consider that the policy should be amended as detailed below:

*'C. In LSISs shown on Figure 4.1, the overriding priority land uses are industrial uses (B1(c), B2, B8 and Sui Generis uses which are akin to industrial uses). The development of B1(a) office use will be permissible in such areas where there is no loss of employment floorspace. Residential use is not acceptable within LSISs.'*

Furthermore, Part 'F (ii)' of Policy B2 'New business floorspace' states:

*'F. All development proposals involving business floorspace (including affordable workspace provided in line with policy B4) must have regard to the following:*

*(ii) Provision of a good level of amenity for occupiers of the business floorspace, including adequate levels of daylight and sunlight; and access to communal/ancillary facilities including meeting rooms.'*

We consider that the policy is overly restrictive and could result in innovative design solutions for new office development being refused planning permission. For example, there are many instances of office development within London which have made innovative and efficient use of vacant car parks or other basement floors which have little or no access to daylight or sunlight.

However, these spaces can be well planned and designed to provide additional employment floorspace. Such spaces are well suited for meeting rooms and back of house functions or artificially lit office floors. Furthermore, new office development is generally not required to have adequate levels of daylight in terms of the relevant BRE guidance, unlike residential use.

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Therefore, we consider that Part F (ii) of Policy B2 should be deleted as it is overly restrictive and could frustrate some office development coming forward.

### **Policy B3: 'Existing business floorspace'**

Part 'C' within Policy B3 'Existing business floorspace' refers to existing industrial uses and states:

*'In addition to Part B which relates to all business floorspace, where existing business uses are industrial in nature – i.e. B1(c), B2 or B8 uses, or Sui Generis uses which are akin to industrial uses – there must be at least no net loss of industrial uses as part of development proposals. Marketing requirements for proposals involving the net loss of industrial uses must market the floorspace for continued industrial use; where a proposal is outside an LSIS, marketing must be primarily for industrial use but could include marketing for other business uses as a potential option.'*

For the reasons highlighted in response for part 'E' of Policy B1, we also consider part 'C' of Policy B3 is overly restrictive in terms of promoting no net loss of existing industrial floorspace, which prevents the potential delivery of other suitable business floorspace.

On this basis, part 'C' of Policy B3 should be amended as follows:

*'In addition to Part B which relates to all business floorspace, where existing business uses are industrial in nature – i.e. B1(c), B2 or B8 uses, or Sui Generis uses which are akin to industrial uses **will be generally protected. The development of B1(a) office use will be permissible in such areas where there is no loss of employment floorspace.***

### **Policy B4: 'Affordable Workspace'**

Part 'B' of Policy B4: 'Affordable Workspace', states:

*'B. A requirement for affordable workspace will also apply to any major development proposals involving 1,000sqm or more gross B1(a) and/or B1(b) and/or general B1 and/or a Sui Generis use akin to B1(a)/B1(b) floorspace within a LSIS.'*

Policy B4 seeks to introduce a 10% affordable workspace requirement on major commercial schemes (1,000 sq. m+ of general B1-use (including B1 (a)) and Sui Generis use akin to B1(a)/B1(b) floorspace (etc.)). Whilst we acknowledge there may be a need for the provision of some affordable workspace within Islington, we consider that this need must be balanced against overall scheme viability and other competing demands on development projects.

This includes the LB Islington Community Infrastructure Levy (CIL) which is currently £80 per sq. m for new B1a office space in the south of the borough. While there is no Islington CIL for new B1a office floorspace in the remaining parts of the borough, there is an additional GLA Mayoral CIL, which increased from £50 per sq. m to £80 per sq. m as of 1st April 2019.

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Furthermore, many schemes also need to provide significant S.106 financial contributions (e.g. carbon off-setting etc). Additionally, if a mixed-use development, which includes residential, were proposed it would also attract the need to provide a contribution towards affordable housing.

It is clear that the *'Draft Local Plan: Strategic and Development Management Policies'* document (September 2019) aims to promote a significant increase in office and general employment floorspace over the next plan period.

However, the ambitious employment growth targets set out within this draft Local Plan could be jeopardised if too many financial burdens are placed on commercial development proposals. The additional burden of affordable workspace could make commercial proposals less viable (or unviable) and might therefore reduce the number of sites coming forward for new employment development.

Whilst there may be a case for some form of affordable workspace (or a financial contribution towards it) on some very large schemes (e.g. 10,000 sq. m+) we do not consider that it is appropriate to apply this to any scheme of 1,000 sq. m+, which at the lower size threshold is still relatively small.

On this basis, we consider that the requirement for affordable workspace should be removed to encourage commercial redevelopment schemes to come forward and in enhance their viability.

## **Conclusion**

We trust that these representations will be fully considered in relation to the draft policies within the *'Strategic Development Management Policies'* document and the proposed LSIS designation at the land to the rear of 2 Melody Lane within the *'Policies Map – changes from current adopted policies map'* document.

We hope that the council will consider the evolution of the area within the immediate vicinity of the site, which has been subject to a significant loss in industrial uses to become increasingly residential in character.

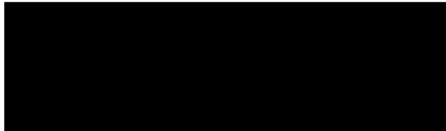
We consider the recently permitted (ref: 2016/1344/FUL) residential scheme at the site further emphasises the transition of this part Melody Lane. In addition, the recently submitted planning application provides a compatible mixed-use development including; office (B1(a)) and residential proposal, which would integrate seamlessly into the local context.

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On this basis and the reasons provided within these representations, we request that the proposed LSIS designation is revised to exclude the site and that the recommended policy amendments are adopted. If you have any queries on these representations, please do not hesitate to contact me at these offices on 020 3668 6986 (mob: 07957442158).

Yours Faithfully,



Matt Humphreys, MRTPI Director

[matt@hplanning.london](mailto:matt@hplanning.london)

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- Back of houses to Aberdeen Park
- Self Storage Building with sawtooth roof profile
- Parking area for B8 Self Storage business
- Office + Retail for self storage business
- Former balloon-making workshop, now a garage
- Existing Melody Lane housing by Julian Cowie Architects
- Parking area for B8 Self Storage business
- 58 Highbury Grove scheme recently completed
- Entrance to Melody Lane from Highbury Grove



**DRAWING UNCHANGED FROM ORIGINAL  
APPLICATION P2016/1344/FUL**



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**Proposed redevelopment of 2 Melody Lane,  
Islington London N5**

Existing Location Plan

Scale: 1:1000 @A3 Date: July 2019

PP\_101

Our ref: BAH/COM125079  
Date: 5<sup>th</sup> August 2019

Mr Matt Humphreys  
H Planning Ltd  
70 Cowcross Street  
London  
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Dear Mr Humphreys

**EMPLOYMENT MARKET SUPPLY & DEMAND AND VIABILITY ASSESSMENT  
FOR LAND TO THE REAR OF 2 MELODY LANE, Highbury London, N5 2BQ**

Further to our correspondence and inspection of the above, we set out below our thoughts on the permitted new build B8 space on the site and whether the proposed B1 space would be a more viable option.

**Introduction**

Currell Commercial has been established since 1990 in Islington as a leading firm of Chartered Surveyors and Commercial Agents. We have over 27 years' experience in Commercial agency, including working for local authorities and advising private sector clients on all aspects of commercial property and all commercial property types including shops, offices, industrial/warehouse space, restaurants and bars, concentrated upon the London Boroughs of Islington, Haringey and Hackney. Currell Commercial has also had input into a number of urban regeneration projects in these Boroughs as well as throughout London.

Currell Commercial have been commissioned to provide our opinion as to the suitability of the subject premises for continuing employment use and the supply and demand for commercial space in the immediate and more expansive areas around the subject site and the viability of the site for its current usage.

This advice also relates to the existing B8 facility at the site as well as the recently permitted planning permission (ref: P2016/1344/FUL) for a mixed-use scheme, which includes replacement B8 space and 7-dwellings. This was approved by LB Islington on 18<sup>th</sup> May 2018.

### Location/Description

The buildings are situated within Melody Lane, a mews just off Highbury Grove and immediately opposite Highbury Playing Fields. Access to Melody Lane is through a narrow entrance from the main road which can cause issues with congestion with other occupiers on Melody Lane. Immediately opposite is the Balloon Factory which is a Grade II listed building that services taxis and there is a modern development at the entrance to Melody Lane comprising residential with some B1 office space. Currently the mews seems a confused mix of various commercial uses with residential and a large residential catchment area surrounding.

Transport facilities are good with both Highbury & Islington and Finsbury Park underground and British Rail stations being nearby and numerous bus routes run along Highbury Grove.

The subject buildings comprise a mish mash of different styles, condition and height with an old air raid shelter at the rear, which back onto the gardens of the residential houses that straddle the back of the site. There is also a car park for approximately 9 cars fronting the buildings. The buildings have been utilised for self-storage with 400 lockers and a small amount of office space for many years and are no longer fit for purpose due to the type of buildings, narrow access for large deliveries and large amount of traffic from the Balloon Factory. Also, being older buildings, they are very expensive to maintain.

We understand that as the buildings are no longer fit for purpose, planning permission (ref: P2016/1344/FUL) was sought and has been granted to redevelop the site with some of the site being designated for residential use and the majority of the space to be redeveloped to provide a new B8 storage building on 5 floors with the following floor areas:

Second Floor	2,432 sq. ft	(226 sq. m)
First Floor	2,669 sq. ft	(248 sq. m)
Ground Floor	2,594 sq. ft	(241 sq. m)
Basement 1	2,594 sq. ft	(241 sq. m)
Basement 2	2,594 sq. ft	(241 sq. m)
<b>TOTAL FLOOR AREA</b>	<b>15,274 sq. ft</b>	<b>(1,419 sq. m)</b>



## **Suitability of Proposed New B8 Employment Space to Meet Market Location Requirements**

We note that the intention had been for the current occupier to continue their business in the new B8 space, however, as we have previously stated, we have to consider that if in the future this is not feasible and self-storage is no longer viable, then they might have to cease trading. We therefore have to consider what market there would be for a new B8 building of 15,274 sq. ft (1,419 sq. m), especially taking into consideration that it would be difficult to get large lorries through the narrow access into Melody Lane and the added possible congestion with the taxi traffic from the Balloon Factory and the potential impact on the other occupiers in Melody Lane and the residential immediately surrounding.

We have our doubts that a B8 building will work for many B8 trades. The proposed B8 employment space is in about the worst location possible for its attractiveness to the market as it is in a fairly residential location, within a mews with a narrow access which we believe would make it difficult for a B8 user to operate effectively. Therefore, we believe that even if it was technically viable by reference to open market rent levels to demolish the existing buildings and create new build B8 commercial space, this would be insufficient to attract suitable occupiers to Melody Lane to its location. As commercial agents, in our opinion we do not consider Melody Lane as a warehouse or light industrial pitch and it would be difficult in terms of loading and unloading due to the other occupiers on the site. Some B8 occupiers could cause noise and disturbance issues and have an impact on the peaceful enjoyment of the neighbouring commercial and residential occupiers.

We also have a definite concern that the redevelopment of the site for new B8 commercial space would not be financially viable. We believe that in order to attract interest to the commercial space in this particular location, the rental would need to be very low at around £13 per sq. ft for ground and upper floors and £7 per sq. ft for the two basement spaces. It therefore has to be considered that even if money is spent redeveloping the existing buildings or for a new build which would cost in excess of £150 per sq. ft and possibly more if there is asbestos or any contamination on the site, can be justifiable to achieve such low rentals. That is before taking into consideration any void periods or incentives such as rent free periods. There is no guarantee that occupiers could be found immediately and would need to allow 12-18 months to have a chance at attracting tenants which is a considerable void after a colossal capital spend and, in the meantime, interest will mount up on any bank finance taken to cover the cost of the refurbishment/redevelopment works.

As commercial agents, in our opinion we do not consider Melody Lane as an ideal warehouse or light industrial pitch and that the subject buildings and Balloon Factory seem out of kilter with the surrounding area and that neighbouring occupiers would be relieved to have a less noisy and congested use on their doorstep.

We therefore believe there would be little point in demolishing the existing buildings to create new B8 space as we feel there would be limited demand and any demand would have to be scrutinised to ensure it would not impact on surrounding occupiers. The proposed redevelopment has two basements and we have concerns on how these would be utilised effectively by B8 or light industrial occupiers. Normally such buildings would only have one basement which would be used for back space, plant room, showers and possibly some office space and we are not sure that this would be viable for a lot of B8 or even B1a light industrial occupiers as their preference would be to have a building on two or three floors maximum for easy running of their business.

B8 occupiers would include types such as self-storage, distribution companies, trade counters, furniture repairs/distributors which could involve the movement of large items which, as we have already stipulated, might cause problems with access and egress from Melody Lane.

When considering the marketability of B8 commercial space in this particular location then we also have to take into consideration current market conditions and demand. Obviously, the original intent on getting the new planning consent was for the current self-storage company to occupy the proposed new B8 space. However, we have to consider an alternative scenario if the current occupier is unable to continue their business on the site. Therefore, it has to be considered if another B8 operator would be attracted to the location. We believe therefore it would be a big risk to have over 15,000 sq. ft of B8 or even B1a light industrial space in this location in place of the existing redundant buildings.

As we have previously suggested, we believe that a more suitable use would be B1 office space which would be less intrusive and a more viable use for the new proposed commercial space. B8 use would only require a limited amount of staff on the site but B1 office use would bring more employment into the area (we understand that the revised office proposal could accommodate between 89 – 101 employees) and we believe would be better received by the neighbours. This is already working well on the new build commercial space opposite the subject site. This would also be more financially viable as the rental achievable would be almost double that of B8 use and would make it more feasible and likely to come forward for redevelopment, when trying to obtain finance for the redevelopment of the site.

We have seen the plans for the permitted B8 use and for the proposed B1 use. We do not believe that two basements would work for B8 space, however for B1 the lower basement would work for back office space with plant, showers, WCs, cycle store and some meeting rooms and the upper basement could work for office space with some lightwells.

## **MARKET DEMAND ANALYSIS**

The commercial market has been through a turbulent time over the last two years and this is mainly due to the ongoing uncertainty over Brexit, business rates increases and other factors that have had a negative effect on the property market and, in particular, the commercial market. Retailers are having a particularly difficult time with several well known operators either scaling down their business or going into administration. This has a knock on effect on B1 and B8 operators that are part of the supply chain feeding these retailers and so several businesses can be affected. There is currently a lot more commercial space available in Islington and all London Boroughs of all types and the market is very competitive.

The majority of occupiers are still being very particular on the type of space they want, demanding quality facilities in established commercial locations with close access to good transport links. As a result, there are some properties that languish on the market due to their poor location, profile, facilities, access, condition or layouts.

The majority of B8 and B1a light industrial units are on established estates which adequately cater for these types of operators with good access and similar businesses which feed off each other. These are locations that are recognised and designated for these types of operators.

From our own perspective, two years ago we had approximately 60 commercial properties that we were marketing and now we have approx. 130 commercial instructions on our books and so our commercial stock level has doubled. We have noted that there are a lot more commercial instructions of varying sizes coming to the market every day and agents are advertising reductions on the rentals on some of their stock to try and attract interest. The commercial market is very tentative and while there are lettings and sales being completed, the level of transactions has fallen considerably and transactions are down 30% from what they were in 2016.

It is obviously difficult to accurately predict the future of the commercial market in the immediate area and Islington as a whole, however we believe that for this year at least, the commercial market will continue to be difficult with stock outpacing demand and further reductions in market rentals. This could become more protracted dependent on the outcome of Brexit.

That being said, whilst the whole commercial market is affected, we do consider that Melody Lane would be better suited and more viable for B1 office use, due to the reasons previously given, and also the immediate neighbours would be more appreciative of this use rather than B8 use.

## **SUMMARY**

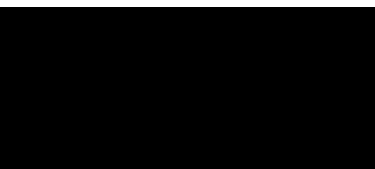
The commercial market is not very buoyant at the present time and this has been apparent since 2017 and we do not see this changing during the foreseeable future. There are obvious concerns that there is an excessive amount of B8 commercial space within the permitted scheme and should the self-storage business not be viable for the current occupier in the near future then there is a risk that finding suitable B8 occupiers will be difficult as the location makes access for deliveries very difficult through the mews and is not user friendly for larger vehicles and lorries. Access for these vehicles would be a requirement of a warehouse/storage/light industrial office space occupier. Also for local residents there is the concern of loading and unloading on a daily basis which could be disruptive, noisy and have a negative impact on the peaceful enjoyment of the neighbouring occupiers, especially with the traffic already using the site from the Balloon Factory.

In overall conclusion, it is our firm opinion that a redevelopment to provide over 15,000 sq. ft of B8 space would not be practical (or viable given the change in circumstances) for this site and we consider this it might be more practical to consider B1 office use which would have less impact on the neighbouring properties and bring more employment into the area. Also, the B1 space could easily be multi-let in smaller chunks giving more flexibility to the usage of the proposed new buildings. This approach would also help support start-up businesses in the local area or smaller businesses looking for suitable premises to expand.

We hope the above summarises our thoughts and recommendations on the proposed scheme and if you need to discuss any matter then please do not hesitate to contact us.

Yours sincerely

Beverley Hedge



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