

PLANNING COMMITTEE REPORT

Development Management Service
Planning and Development Division
Environment and Regeneration Department

PLANNING SUB-COMMITTEE A		AGENDA ITEM NO:B1
Date:	03 September 2019	NON-EXEMPT

Application number	P2018/3775/FUL
Application type	Full Planning Application
Ward	Hillrise
Listed building	Not listed
Conservation area	Not located in a Conservation Area
Development Plan Context	Major Cycle Route Alexandra Palace viewing terrace to St Paul's Cathedral Article 4 Direction A1 – A2 (Rest of Borough)
Licensing Implications	No
Site Address	89 Crouch Hill London N8 9EG
Proposal	Change of use of a hotel (Use Class C1) with accommodation for 12 bedrooms into 5 no. self-contained residential units (Use Class C3); with associated external works consisting of erection of a replacement larger two storey rear extension and a replacement larger two-storey side extension in place of an existing single storey side conservatory; creation of a new window opening to the existing front dormer; erection of a new rear dormer and replacement dormer and insertion of 1 no. new replacement rooflight to rear roof slope; creation of a refuse and cycle store within the existing garage, creation of terraces at ground, first and roof level with associated metal railings (balustrades); landscaping works; basement excavation and creation of front and rear lightwells.

Case Officer	Sandra Chivero
Applicant	Ms Elena Chrysostomou
Agent	Mr Peter Koumis - Vivendi Architects LTD

1. RECOMMENDATION

- 1.1 The Committee is asked to resolve to **GRANT** planning permission – subject to
- i) Conditions set out in Appendix 1; and

- ii) Prior completion of a deed of planning obligation made under Section 106 of the Town and Country Planning Act 1990 securing the heads of terms as set out in Appendix 1.

2. SITE PLAN



3. PHOTOS OF SITE AND STREET

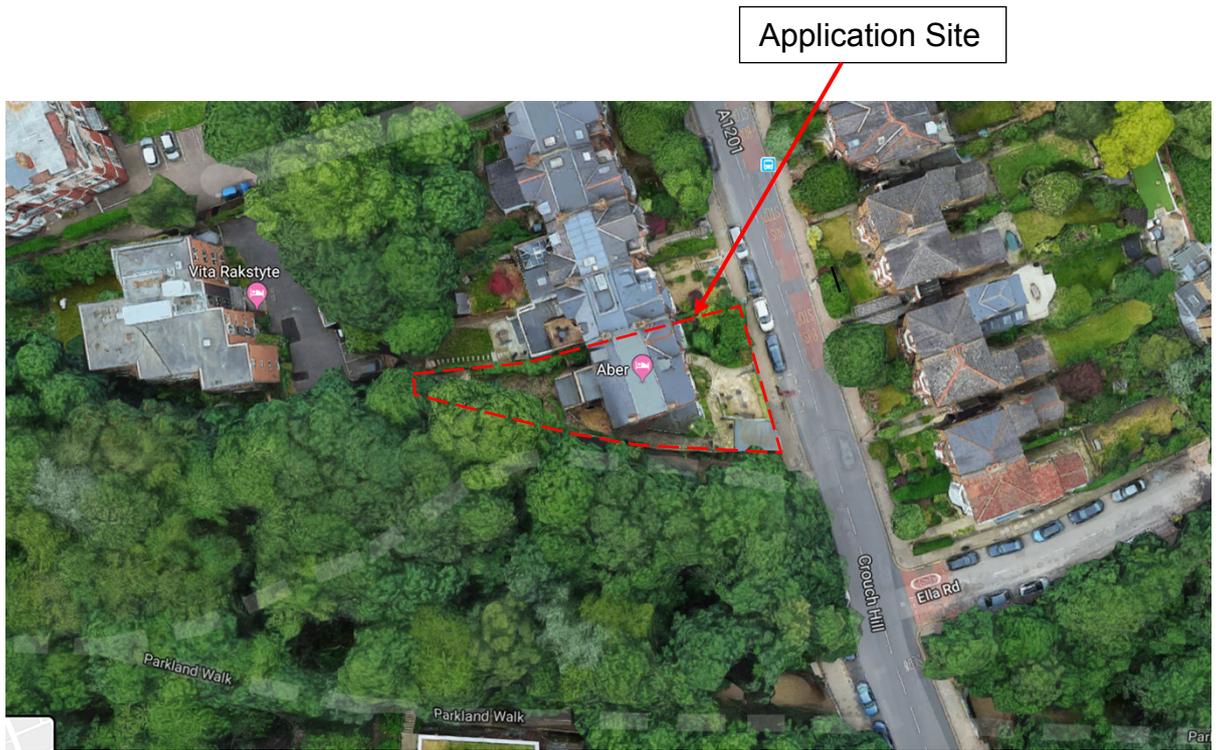


Image 1: Aerial View of the Application Site



Image 2: Photograph from street level showing the front elevation



Image 3: Photograph of the rear elevation

4. SUMMARY

- 4.1 Planning permission is sought for the change of use of a hotel (Use Class C1) with accommodation for 12 bedrooms into 5 no. self-contained residential units (Use Class C3); erection of a two storey side and rear extensions with associated internal reconfiguration including basement excavation to provide habitable rooms as well as provision of associated cycle storage and refuse facilities.
- 4.2 The site is not located in an area considered appropriate for visitor accommodation and is not attached to an existing public house. It is not considered that there is any policy basis for the retention of a hotel. The application site is located in an area with a high level of residential accommodation and as such, the proposal to change the hotel to self-contained residential units is considered acceptable in land use terms.
- 4.3 Taking the proposed alterations together, these are not considered to cause material harm to the appearance of the host building or the wider terrace. The proposed basement demonstrates an appropriate scale of development that would not project beyond the above ground footprint (with the exception of lightwells) and which reflects the site coverage of the surrounding development patterns.
- 4.4 The information received shows the impacts on off-site trees should be minimal. However, due to the close proximity of the development to off-site trees it will be an essential requirement of the project to have arboricultural input and supervision from detailed design through to completion. This has been secured by condition.
- 4.5 The information provided in support of the application, along with information required by condition, is considered to demonstrate and ensure that the proposed development will preserve the residential amenities of the nearby properties and the proposed dwellings within the development scheme. The quality of resulting accommodation is also considered to be satisfactory.

- 4.6 The internal Viability Team agreed with Adams Integra's conclusion that the application cannot viably provide the full required Small Sites affordable housing contribution of £250,000, but can provide a partial contribution of £83,411. The applicant has stated their willingness to enter into a Unilateral Undertaking in respect of the above sums.
- 4.7 Overall, the proposed development is considered to accord with the National Planning Policy Framework 2018, and the policies found within the London Plan 2016, the Islington Core Strategy 2011, the Development Management Policies 2013 and Supplementary Planning Documents.

5. SITE AND SURROUNDING

- 5.1 The application site is occupied by a two-storey red brick double fronted end of terrace property currently in use as a 12-bedroom hotel and comprises of a single storey side conservatory. The host building sits on an elevated position (approximately 3m higher than the pavement) on the western side of Crouch Hill. The site also hosts a single garage positioned to the front of the boundary.
- 5.2 The existing building is not listed and it is not located within a designated conservation area. The surrounding area is predominantly residential in character. To the north the application site adjoins a two-storey dwelling house of similar architectural style. To the south the site abuts an access road leading to the block of flats situated to the rear western side of the site. To the east the site fronts on to three-storey linked semi-detached villas.
- 5.3 The tree covered Park Land Walk Local Nature Reserve and Cape Adventure Playground is also situated to the south of the site. This area is also designated as Metropolitan Open Land (MOL1), Open Space (OS125) and Site of Importance for Nature Conservation (SINC) (44).

6. PROPOSAL (IN DETAIL)

- 6.1 Planning permission is sought for the change of use of a hotel (C1 Use) with accommodation for 12 bedrooms into 5 self-contained residential units (C3 Use) comprising of 2no. three-bed, 2no. two-bed and 1no. one-bed with associated external works consisting of erection of a replacement larger two storey rear extension and a replacement larger two-storey side extension in place of an existing single storey side conservatory; creation of a new window opening the to existing front dormer; erection of a new rear dormer and replacement dormer and insertion of 1 no. new replacement rooflight to rear roof slope; creation of a refuse and cycle store within the existing garage, creation of terraces at ground, first and roof level with associated metal railings (balustrades); landscaping works; basement excavation and creation of front and rear lightwells.

Revisions

- 6.2 During the course of the application amended drawings were received showing:
- Rooflights to the main roof omitted from the proposal and the proposed rooflights to the rear elevation above stair core would be conservation grade with roof tiles
 - Reduction of width of rear dormers by 200mm

- 6.3 As these alterations are considered relatively minor and reduce are not considered to prejudice neighbouring occupiers, these alterations have been taken into account within the assessment of the application.

7. PLANNING HISTORY:

- a. January 2015: Planning Application (Ref. P2014/3126/FUL) Granted for Demolition of existing garage and construction of new garage, metal railing to front garden

PRE-APPLICATION ADVICE:

- 7.2 February 2018: - Pre-application (Q2018/0031/MIN) related to the change of use of a hotel to 5no. self-contained residential units; erection of side and rear extensions with associated internal reconfiguration including basement excavations. Officer Response: stated that it was not considered that there was any policy basis for the retention of a hotel and the change of use to self-contained residential units was considered acceptable in land use terms. However, concerns were raised regarding the mass, scale, bulk and design of the proposed three storey rear extension, which was not considered to be subordinate to the main property. It was advised that the principle of a two storey rear extension is acceptable, subject to impact on neighbouring amenity. There were also concerns raised regarding poor outlook from the main living space of Flat 1 whose main outlook would be onto the basement lightwell. Further concerns were raised regarding the second floor rear terrace in terms of the design and potential loss of privacy to adjoining occupiers. No objections were raised to the principle of a terrace on the second floor side elevation, subject to it being recessed further back from the front building line than as existing. It was also considered that the proposed basements demonstrate an appropriate scale of development that would not project beyond the above ground footprint (with the exception of lightwells) and which reflects the site coverage of the surrounding development patterns. It was recommended to take into consideration the issues raised above prior to submitting a formal planning application.

ENFORCEMENT:

- 7.3 October 2016: Enforcement Case (Ref. E/2016/0224) relating to the erection of lighting-columns without permission Closed. The Enforcement Officer advised that it was considered that no harm would be caused to the surrounding area and it was not considered expedient to pursue further.
- 7.4 September 2015: Enforcement Case (Ref. E/2014/0232) relating to new garage Closed. It is stated that planning permission was granted on 7 January 2015 for the demolition of the garage and the erection of a new one. As such, the breach has been regularised and the works are now permitted.
- 7.5 March 2006: Enforcement Case (Ref. E010533) relating to Installation of two illuminated signs advertising hotel and six garden light Closed. The Enforcement Officer advised that no notes or copy of notice are available on file.

8. CONSULTATION

Public Consultation

8.1 Letters were sent to occupants of 86 adjoining and nearby properties on 07 January 2019. A site notice was displayed outside the site, and a press notice was displayed. The public consultation of the application expired on 03 February 2019.

8.2 At the time of writing this report 9 no. letters of representation had been received from the public with regard to the application. The issues raised can be summarised as follows (including corresponding paragraphs in this report addressing the issues in brackets):

- Loss of privacy and overlooking (Paragraph 10.41)
- Loss of light (Paragraphs 10.42, 10.43)
- Proposal does not maintain the natural alignment of housing (Paragraph 10.14)
- Proposal out of keeping with the design of other housing in the area none have balconies (Paragraph 10.13)
- Balconies would create an eyesore (Paragraph 10.15)
- Rear extension excessive (Paragraph 10.13, 10.14, 10.15)
- Basement extension excessive (Paragraph 10.45 – 10.54)
- Disturbance to water table (Paragraph 10.53)
- Parking issues (Paragraph 10.62)
- Impact on trees (Paragraph 10.55-10.59)
- Lack of nesting locations for swifts and bats (Paragraph 10.84)

Non-Material

- Obstruction to view of park (Paragraph 10.81)
- Structural problems (Paragraph 10.47, 10.49)
- Dust and noise pollution during building works (Paragraph 10.82)
- Disruption and traffic during building works (Paragraph 10.82)

Internal Consultees

8.3 Design & Conservation: The Design and Conservation Officer stated that the previous pre-application enquiry Ref. P2018/0031/MIN was largely regarded under this application and the proposals are consequently acceptable in design terms. Looking at the submitted drawings under the current application concerns were raised in relation to the proposed 3 new rooflights which did not form part of the pre-application proposal. The proposed rooflight to the staircase is acceptable, but not those proposed for the rear bedroom and living room of proposed Flat 5. It was further stated that the rebuilding of the existing rear dormer and the construction of the proposed rear dormer is acceptable in principle, but the window openings should not exceed the proportions of the existing rear dormer.

8.4 The Design and Conservation Officer also noted that the excavation of the proposed lightwells was subject to pre-application advice and is acceptable in principle. However, stated that the proposed guard railings risk introducing visual clutter into the streetscene, and as the lightwells could be made secure by concealed grills it was recommended that they are omitted from the proposal.

8.5 It was noted that the proposed terraces have been revised in line with pre-application advice. It was requested that further information should be provided on the proposed finish of the doors leading to the former garage now proposed for use as a refuse/ bicycle store.

- 8.6 Amended drawings addressing the concerns raised by the Design and Conservation Officer were received during the course of the application. The Design and Conservation Officer was largely satisfied with the amendments and maintained that the metal railings to the lightwell are not ideal but raised no further objections.
- 8.7 Viability Officer stated that having reviewed the appraisal inputs adopted by Adams Integra, it was agreed that these are all reasonable assumptions. It was noted that the proposed development's viability is constrained by high build costs due to the extensive basement works and the high Benchmark Land Value of £1,800,000. Additionally, the achievable sales values are lower due to the subject site being in the north of the borough where sales values are typically lower. The lower sales values when combined with the high build costs and the site's high existing use value as a functioning hotel have led to a reduction in viability. This decline in viability has resulted in a reduced affordable housing contribution.
- 8.8 In view of this the Viability officer agreed with Adams Integra's conclusion that the application cannot viably provide the full required Small Sites affordable housing contribution of £250,000, but can provide a partial contribution of £83,411.
- 8.9 Inclusive Design Officer commented that the site has a rating of 3 (moderate) which does not suggest that the site is well connected and in any event the rating takes no account of the inaccessibility of various modes of transport to disabled people. It is highlighted that all new residential units should meet the standards associated with category 2 housing.
- 8.10 The Inclusive Design Officer considers that overall the ground floor units can be delivered as step free then the development will have made a reasonable contribution to the stock of flexible homes in the borough.
- 8.11 Trees Officer noted that the proposed development will involve the removal of two low quality trees, all other trees including those protected by a Tree Preservation Order will be retained and protected. The current basement / floor plan foot prints appear to follow those provided at the pre-application stage therefore my opinion of the tree impacts remains is also similar.
- 8.12 The excavation required for the basement and extension equates to a new incursion of approx. 2% within the RPA of (T1) however this is minimal and should not have a significant impact on important trees.
- 8.13 The Tree Officer does not object as long as the recommendations contained within The arboricultural method statement report and the tree protection plans for demolition and construction submitted in support of the application are adhered to in full. To compliance a Tree Protection Condition has also been recommended to be attached to the application (Please see Condition 11).

External Consultees

- 8.14 **Adams Integra** stated that the approach taken in the financial viability appraisal study follows the well-recognised methodology of residual land valuation (RLV). Put simply the residual land value produced by a potential development is calculated by subtracting the costs of achieving that development from the revenue generated by the completed scheme. The results of the RLV were then compared to the benchmark land value (BLV). If the RLV is more than the EUV then the scheme produces a surplus and is viable if not, then there is a deficit and the scheme is not viable.

- 8.15 A HCA DAT appraisal of the current scheme using the input values including the required £250,000 affordable housing contribution was carried out. The appraisal, produced a residual land value of £1,646,992. When compared to the “benchmark value” of £1,800,000 this resulted in a deficit of £153,008 demonstrating that the scheme is not viable at a profit level of 15%. The affordable housing contribution until the residual land value reached the benchmark land value of £1,800,000 was then reduced. This appraisal can be found at Appendix 1A of their report and shows an affordable housing contribution of £83,411 can be viably provided.
- 8.16 Adams Integra asserted that this appraisal demonstrated that the scheme is able to support an affordable housing contribution of £83,411 and remain viable. It is confirmed that the scheme has been looked at in terms of its particular financial characteristics and it represents no precedent for any sustainable approach on the Council’s policy base. This report is attached in Appendix 3 of this report.

9. RELEVANT STATUTORY DUTIES & DEVELOPMENT PLAN CONSIDERATIONS & POLICIES

- 9.1 Islington Council (Planning Sub-Committee A), in determining the planning application has the following main statutory duties to perform:
- To have regard to the provisions of the development plan, so far as material to the application and to any other material considerations (Section 70 Town & Country Planning Act 1990);
 - To determine the application in accordance with the development plan unless other material considerations indicate otherwise (Section 38(6) of the Planning and Compulsory Purchase Act 2004) (Note: that the relevant Development Plan is the London Plan and Islington’s Local Plan, including adopted Supplementary Planning Guidance.)
- 9.2 National Planning Policy Framework (NPPF) (2019): Paragraphs 10 and 11 state that at the heart of the NPPF is a presumption in favour of sustainable development which should be seen as a golden thread running through both plan-making and decision-taking. For decision-taking this means: approving development proposals that accord with the development plan without delay.
- 9.3 At paragraph 8 the NPPF (2019) states that achieving sustainable development means that the planning system has three overarching objectives namely economic, social and environmental, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives):
- 9.4 The updated National Planning Policy Framework 2018 seeks to secure positive growth in a way that effectively balances economic, environmental and social progress for this and future generations. The NPPF is a material consideration and has been taken into account as part of the assessment of these proposals.

- 9.5 Since March 2014 Planning Practice Guidance for England has been published online.
- 9.6 In considering the planning application account has to be taken of the statutory and policy framework, the documentation accompanying the application, and views of both statutory and non-statutory consultees.
- 9.7 The Human Rights Act 1998 incorporates the key articles of the European Convention on Human Rights into domestic law. These include:
- Article 1 of the First Protocol: Protection of property. Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
 - Article 14: Prohibition of discrimination. The enjoyment of the rights and freedoms set forth in this Convention shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth, or other status.
- 9.8 Members of the Planning Sub-Committee must be aware of the rights contained in the Convention (particularly those set out above) when making any Planning decisions. However, most Convention rights are not absolute and set out circumstances when an interference with a person's rights is permitted. Any interference with any of the rights contained in the Convention must be sanctioned by law and be aimed at pursuing a legitimate aim and must go no further than is necessary and be proportionate.
- 9.9 The Equality Act 2010 provides protection from discrimination in respect of certain protected characteristics, namely: age, disability, gender reassignment, pregnancy and maternity, race, religion or beliefs and sex and sexual orientation. It places the Council under a legal duty to have due regard to the advancement of equality in the exercise of its powers including planning powers. The Committee must be mindful of this duty inter alia when determining all planning applications. In particular, the Committee must pay due regard to the need to: (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Development Plan

- 9.10 The Development Plan is comprised of the London Plan 2016, Islington Core Strategy 2011, Development Management Policies 2013 and the Finsbury Local Plan 2013. The policies of the Development Plan that are considered relevant to this application are listed at Appendix 2 to this report.
- 9.11 Some weight is attributed to the Draft London Plan Policies.

9.12 The site has the following designations under the London Plan 2016, Islington Core Strategy 2011, Development Management Policies 2013, Finsbury Local Plan 2013 and Site Allocations 2013:

- Major Cycle Route
- Alexandra Palace viewing terrace to St Paul's Cathedral
- Article 4 Direction A1 – A2 (Rest of Borough)

9.13 The following designations relate to the Parkland Walk, immediately to the south of the site

- Metropolitan Open Land (MOL1)
- Open Space (OS125)
- Site of Importance for Nature Conservation (44).

Supplementary Planning Guidance (SPG) / Document (SPD)

9.14 The SPGs and/or SPDs which are considered relevant are listed in Appendix 2.

10. ASSESSMENT

10.1 The main issues arising from this proposal relate to:

- Land Use
- Design
- Unit Mix
- Quality of Resulting Residential Accommodation
- Accessibility
- Neighbouring Amenity
- Basement Development
- Trees
- SINC and Open Space
- Highways and Transportation
- Refuse and Recycling
- Small Site Affordable Housing Contributions
- Community Infrastructure Levy
- Other matters

LAND-USE

10.2 The proposal relates to the change of use of a hotel (Use Class C1) with accommodation for 12 bedrooms into 5 no. self-contained residential units (Use Class C3). The Council's own investigation suggest that the existing hotel use is lawful. The Enforcement Case (Ref. E010533) closed on March 2006 refers to the installation of illuminated signs advertising a hotel at the application site. Google streetview images also show the hotel in existence in 2008.

10.3 The application site is not located in a town centre location, within the Central Activities Zone and does not have access to good transport links. The Islington Development Management Policies does not have a policy against the loss of hotel accommodation. Policy DM4.11 provides information regarding new hotel and visitor accommodation and operates on a locational hierarchy. The priority for new hotel accommodation is in designated town centres, the Central Activities Zone and more specifically the City

Fringe Opportunity Area. Alternatively, small scale accommodation that is ancillary to existing public houses would be supported.

- 10.4 As noted above, the site is not located in an area considered appropriate for visitor accommodation and is not attached to an existing public house. Furthermore, the site is not considered to be in an accessible location with a PTAL rating of 3, which is low for Islington. As such there is no policy protection for a hotel. The application site is located in an area with a high level of residential accommodation and as such, the proposal to change the hotel use to self-contained residential units is considered acceptable in land use terms.
- 10.5 Paragraph 49 of the NPPF states that housing applications should be considered in the context of the presumption in favour of sustainable development. Local planning authorities should normally approve applications for residential development, provided that there are not strong economic reasons why such development would be inappropriate.
- 10.6 Core Strategy Policy CS12 'Meeting the housing challenge' seeks to ensure that the Borough has a continuous supply of housing to meet London Plan targets. London Plan Policy 3.4 (and table 3.2) seeks to maximise the supply of additional homes in line with the London Plan's guidelines on density, having regard to the site's characteristics in terms of urban design, local services and public transport, and neighbour amenity.
- 10.7 It is therefore the case that there is a policy presumption in favour of the delivery of new housing, and the site is considered to be a sustainable location for new housing. The scheme would deliver 5 residential units which would contribute towards the Borough's targets. Subject to compliance with other policies, the introduction of residential units at this windfall site is supported in principle.

DESIGN & CHARACTER AND APPEARANCE

- 10.8 In policy terms, London Plan Policy 7.6 states that architecture should make a positive contribution to a coherent public realm, streetscape and wider cityscape. It goes on to set out criteria against which planning applications should be assessed, stating that buildings should be of the highest architectural quality, should be of a proportion, composition, scale and orientation that enhances, activates and appropriately defines the public realm.
- 10.9 Policy CS9 of Islington's Core Strategy deals with protecting and enhancing Islington's built environment and requires new buildings to be sympathetic in scale and appearance and to be complementary to the local identity. Policy DM2.1 of Islington's Development Management Policies state that all forms of development are required to be of high quality, incorporate inclusive design principles and make a positive contribution to the local character and distinctiveness of an area, based upon an understanding and evaluation of its defining characteristics.
- 10.10 The UDG accepts that there is greater scope for introducing well designed roof extensions outside of conservation areas and confirms the importance of the roofline to the rhythm and unity of a residential terrace or street. It is further stated that *in all cases, applications for roof extensions, dormers and rooflights will be assessed on merit, giving due consideration to the quality of design, materials and construction proposed and the cumulative effect on visual amenity, unity and coherence of the streetscene.*

Dormers and Rooflights

- 10.11 The rear terrace at roof level that was previously proposed at the pre-application stage has been replaced with two dormer windows. The existing rear dormer is rebuilt slightly wider and a second dormer is introduced to the rear roofslope. The proposed alterations at roof level (dormers and rooflights) have been amended during the process of the application to address the concerns raised by the Design and Conservation Officer. The amended drawings show the overall window size of the dormers reduced to match the existing one. The overall size of the dormer cheeks will be slightly wider than the existing in order to meet with current building regulations. The amended drawings also show the rooflights to the main roof of the rear bedroom and living room to Flat 5 omitted from the proposal. The remaining proposed rooflight to the rear elevation above the staircore will be a conservation style rooflight flush with the roof (please see Condition 4).
- 10.12 The omission of the rooflights to the main roof serving the rear bedroom and living room to Flat 5 is welcome. The replacement of the single rooflight flush with the roof is considered sympathetic to the architectural character of the host building. Given the instances of rear dormers within the terrace, including one at the adjoining property and the application site, the introduction of a dormer of similar size and design to this end property (which is wider than the rest of the terrace) is not considered to undermine the rhythm of the roofline of the terrace. As such, the proposed dormer extension would not be harmful to the intrinsic character and appearance of this section of Crouch Hill. Moreover, the rear dormers would not be visible from street level and would therefore be considered acceptable in that regard. It is acknowledged that the proposal would be visible in views from the rear. However, given the instances of dormers at roof level within the terrace it is not considered that the proposal would unacceptably disrupt the unity of the roofscape at the rear of the properties. Therefore, it is considered there is no material harm to the character and appearance of either the host building or host terrace.



Existing Rear Elevation



Proposed Rear Elevation

Side and Rear Extensions

- 10.13 At the pre-application stage concerns were raised regarding the mass, scale and bulk and design of the proposed three storey rear extension not being subordinate to the main property. It was considered that a two storey rear extension would be acceptable subject to not unacceptably impacting on the neighbour's amenity. Under the current application, it proposed to erect side and rear extensions. The rear extension has been redesigned so as to be ground and first floor only with a flat roof.

10.14 Concerns have been raised regarding the proposals failing to maintain the natural alignment of house and that the balconies would be out of keeping with design of other housing in the area. The wider terrace within which the site is located has been the subject of various additions and alterations at the rear. The proposed replacement two-storey side extension would not be wider than the footprint of the existing single storey side extension and would not extend the full depth of the host building, the rear extension would not result in a full width extension and both side and rear extensions would be restricted to two storeys. This along with the design is considered to maintain a sense of subservience to the existing building and that of the wider terrace.

10.15 In addition, due to materials, design and appearance the proposed side and rear extensions including associated terraces are considered sympathetic to the host building constructed of traditional materials. The terrace above the side extension is in a setback position (2.5m from the front building line and 8 m from the street) and would not be prominent from public views and would not create an eyesore. It is therefore not considered detract from the character of the host terrace.



Existing Side Elevation



Proposed Side Elevation



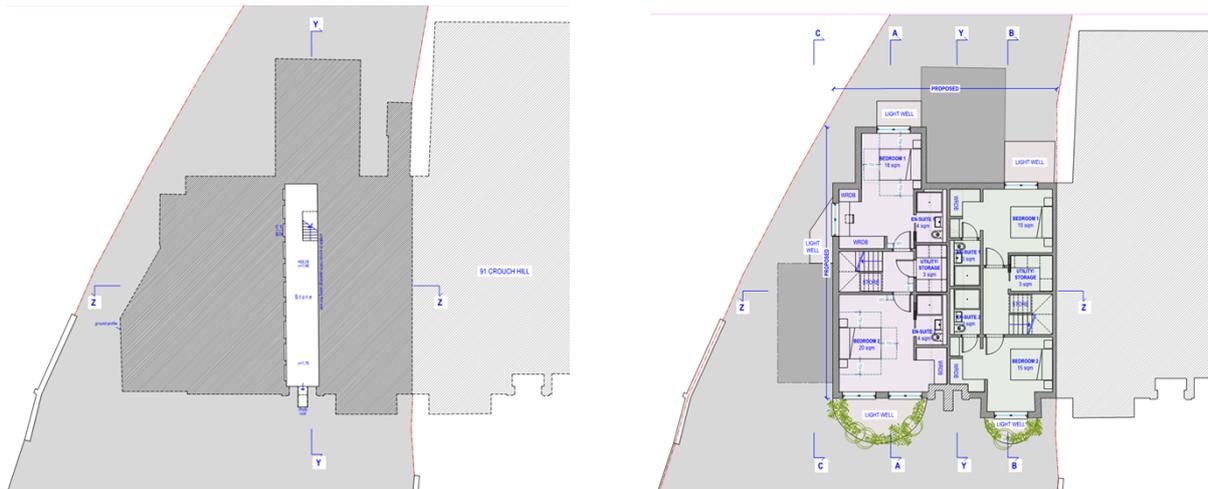
Existing Front Elevation



Proposed Front Elevation

Lightwells

- 10.16 The UDG explains that lightwells can be unsympathetic to the original frontage if they involve the loss of a verdant front garden. The proposed scale of the 2 no. lightwells means that the majority of the front garden would still be retained. Front light wells are not characteristic of the original dwellings in this area; however, in the context of the scale and features of the host dwelling and the houses in the terrace, it is considered that the excavation would have a very limited visual effect on the host dwelling or the wider terrace when seen from the public realm. The basement itself would not be visible from the public realm and is considered to have a neutral impact on the appearance of the streetscene (please also see Basement Development below).



Existing Basement

Proposed Basement

Metal Railings

- 10.17 The Design and Conservation Officer also stated that ideally the applicant should remove the metal railings and replace with concealed metal grilles. The proposed railings are considered to be more appropriate than the glass balustrade proposed at the pre-application stage and would be more in keeping with the existing metal railings to the front of the building. In addition, the site is not in a conservation area and the railings would be located at an acceptable distance away from the street and would be largely screened behind the low brick wall

- 10.18 Taking the proposed alterations together, these are not considered to cause material harm to the appearance of the building or the terrace. The scale and form of the external alterations are considered to comply with policies 7.4, and 7.6 of the London Plan 2016, CS8 and CS 9 of the Core Strategy 2011, Policy DM2.1 (Design) of the Development Management Policies 2013 and the Urban Design Guide 2017.

UNIT MIX

- 10.19 The NPPF acknowledges the importance of high quality and inclusive design for all development, and requires boroughs to deliver a wide choice of quality homes. The London Plan (2016) recognises that design quality is a fundamental issue for all tenures and that the size of housing is a central issue affecting quality. London Plan (MALP) 2016 Policy 3.5 states that new dwellings should take account factors relating to the "home as a place of retreat," and that housing developments should be of the highest quality both internally and in relation to their context.

- 10.20 Core Strategy Policy CS12 (Meeting the Housing Challenge) encourages residential development in the borough, with a range of unit sizes and tenures. Part E requires a range of unit sizes within each housing proposal to meet the needs in the borough. Policy DM3.1 parts A. and B state that all sites should provide a good mix of housing sizes and the housing mix required on all residential developments will be based on Islington's Local Housing Needs Assessment, (or any updated assessment prepared by or on behalf of the council). The current Housing Needs Assessment seeks the housing size mix (by habitable rooms) that is indicated alongside the proposed mix table below (referenced as policy DM3.1 target).
- 10.21 The proposal would create 5no. self-contained residential dwellings including a 1 bedroom 2 persons unit, 2no. 2 bedroom 4 person units and 2no. 3 bedroom 6 person units. Policy DM3.1 requires all sites to provide a good mix of housing sizes with 10% 1-bed, 75% 2-bed and 15% 3-bed. It is considered that the mix of housing units is considered satisfactory, particularly creating larger family units in this northern part of the borough.

QUALITY OF RESIDENTIAL ACCOMMODATION

- 10.22 Paragraph 17 of the NPPF outlines a set of core land-use principles which should underpin decision making, including that planning should always seek to secure a good standard of amenity for all existing and future occupants of land and buildings.
- 10.23 London Plan Policy 3.5 states that securing new housing of the highest quality and protecting and enhancing residential neighbourhoods are key Mayoral priorities, and that new dwellings should take account of factors relating to arrival at buildings, and the place of retreat offered by homes. Policies DM3.4 and 3.5 require new developments to provide good quality accommodation both internally and externally, which should accord with the principles of good design and provide dual aspect accommodation unless exceptional circumstances are demonstrated.
- 10.24 The relevant standards for internal layouts and room sizes are provided by, The London Plan (2016) MALP Policy 3.5 and Table 3.3, the London Plan SPG: Housing (2016) and The Department for Communities and Local Government's Nationally Described Space Standard (March 2015).
- 10.25 Policy DM3.4 requires new units to have adequate sizes and layouts, good ceiling heights, sufficient storage space, and functional, useable space.

Internal floor area

10.26 The proposed units are required to meet or exceed the minimum space standards set out in Table 3.3 of the London Plan and the minimum space standard for storage set out in Table 3.2 of the Development Management Policies.

Unit No	Dwelling Permutation	Minimum Size (sqm)	Actual Size (sqm)	Minimum Storage (sqm)	Actual Storage (sqm)
1	3 bedroom / 6 person /	102	117	3.5	4.8
2	3 bedroom / 6 person	102	104	3.5	4.3
3	2 bedroom / 4 person	70	71	2.5	2.5
4	1 bedroom / 2 person	50	51	1.5	1.5
5	2 bedroom / 4 person	70	72	2.5	2.5

10.27 It is noted that all units exceed the minimum space standards. At the pre-application stage concerns were raised regarding limited storage space in all resulting residential units. The storage space in all units has been increased to meet the minimum storage space standards set out in Table 3.2 of policy DM3.4.

Floor to ceiling heights

10.28 As the proposal is for the conversion of an existing building and does not involve a new build development, there is no requirement for internal building heights. The London Plan requires a minimum floor to ceiling height of 2.5 metres for all new habitable rooms. The plans show with the exception of the second floor level, all floors would exceed the minimum 2.5 metre floor to ceiling height requirement. The second floor level has an internal height of 2.4 metres, whilst marginally lower than the London Plan requirement, given that the proposal is not for a new build development, it is considered acceptable in planning terms.

Aspect/Daylight and Sunlight

10.29 Policy DM3.4 requires new residential units to provide dual aspect accommodation, unless exceptional circumstances can be demonstrated. The policy also requires direct sunlight to enter the main habitable rooms for a reasonable period of the day and living, kitchen and dining spaces to receive direct sunlight. It is noted that all units would be dual aspect and provide acceptable levels of daylight/sunlight for future occupiers.

10.30 All units would be dual aspect and all main habitable rooms would have access to natural light and ventilation. At the pre-application stage concerns were raised regarding the poor outlook to habitable rooms whose main outlook would be onto the basement lightwell and may not receive enough light. A Daylight and Sunlight report was submitted with the current application. This includes an Internal Daylight Assessment to basement rooms and demonstrates that habitable rooms of the new units at basement level received good levels of daylight, in excess of the requirement of the BRE guidance and British Standards. Additional, two new sections A-A (1642-P04-02 Rev. P1) and B-B (1642-P04-03 Rev.P1) have been provided to demonstrate this (please see images below).



Proposed Section AA showing front and rear lightwells to Flat 1



Proposed Section B-B showing front and rear lightwells to Flat 2

Floor	Unit	Room	Recommended ADF	Actual ADF - %
Basement	1	Bedroom 1	1.00%	4.49%
Basement	1	Bedroom 2	1.00%	4.67%
Basement	2	Bedroom 1	1.00%	3.81%
Basement	2	Bedroom 2	1.00%	2.87%

Daylight level to the proposed unit's basement habitable spaces

Private Outdoor Space

- 10.31 Policy DM3.5 sets out the minimum requirements for private outdoor space with a minimum of 30 square metres for each ground level 3-bedroom dwelling. The upper floor flats would be required to provide 7 square metres for a 2 bedroom 4-person unit and 5 square metres for the 1-bedroom unit. The proposal would provide private gardens for the basement and ground floor duplexes, (family sized units), providing 59sqm of private garden space for Flat 1 and 121sqm of private garden space for Flat 2.
- 10.32 The proposed terraces for Flat 3 (2 bed) would be located to the side and rear of the building and would provide a total of 8sqm of private outdoor amenity space. It is proposed that Flat 4 would have a private terrace to the rear of the site Conditioned to be reduced from 10sqm to 5sqm. The proposed Flat 5 (2 bed) now has a private side terrace of 9sqm (minimum required 8sqm). It has been reduced by 3sqm from the scheme presented at the pre-application stage and set back from the front façade line as required. The private outdoor amenity space for all resulting residential units would exceed the minimum requirements stipulated within policy DM3.5 of the Development Management Policies.
- 10.33 Overall, it is considered that the proposed residential units would provide acceptable living conditions for future occupants in terms of the standard of accommodation and amenity space. The resulting residential units would accord with Policy 3.5 of the London Plan 2016, Policies CS8 and CS9 of the Islington Core Strategy 2011 and Policies DM2.1, DM3.4 and DM3.5 of the Islington Development Management.

ACCESSIBILITY

- 10.34 The National Standard for housing is broken down into 3 categories; Category 2 is similar but not the same as the Lifetime Homes standard and Category 3 is similar to the present wheelchair accessible housing standard. Planning must check compliance and condition the requirements. Building Control will only enforce the basic Category 1 standards.
- 10.35 The Inclusive Design Officer commented that all new residential units should meet the standards associated with Category 2 housing. The supporting document states that Flat 1 has been designed to be a disabled unit to satisfy the guidance contained within the Inclusive Design Guidance. The proposed unit also provides additional space required to facilitate permanent occupation by a wheelchair user, however access to the property is via the existing steps from the street level to the main front entrance door. The Inclusive Design Officer stated that an opportunity to provide step free access from the side to a rear entry point has been missed and this negates the effort that has clearly been made to deliver an otherwise adaptable property. The Inclusive Design Officer further stated that a careful rethink of the approach and entry arrangements could deliver at least two Category 2 homes. It is further stated that provision of a lift to the rear of the common stair would provide access to all units.
- 10.36 It was discussed at the pre-application stage that due to the existing topography of the existing street level (approximately 3 metres lower) in relation to the significant raised ground floor level of the building, that an external ramp approach was not possible because of the steepness of the ramp incline and the restrictive existing depth of the front garden access up to the main entrance door. The applicant also reviewed the possibility of providing access to the property via the adjacent private access road and has contacted the owners to assess the opportunity and feasibility of this being carried

out. However, the owners of the adjacent private road did not permit at any time the use of their private road for access of the application site. The provision for an external chair lift fitted along the existing handrail up to the main entrance door, was considered not to be fully practical.

- 10.37 It is acknowledged that if ground floor units could be delivered as step free then the development will have made a reasonable contribution to the stock of flexible homes in the borough. However, it is accepted that the proposal to convert and extend an existing building, given the site constraints, it is not realistic to expect compliance with Category 2 and therefore Category 1 is considered to be appropriate.

NEIGHBOURING AMENITY

- 10.38 Policy 7.6 (Part B) of the London Plan states that buildings should not cause unacceptable harm to the amenity of surrounding land and buildings, particularly residential buildings, in relation to privacy, overshadowing, wind and microclimate.
- 10.39 Policy DM2.1 (Part A (x)) of the Islington Development Management Policies confirms that, for a development proposal to be acceptable, it is required to provide a good level of amenity including consideration of overshadowing, overlooking, privacy, direct sunlight and daylight, over-dominance, sense of enclosure and outlook.
- 10.40 At the pre-application stage it was noted that the adjoining property at no.91 has habitable room windows at ground floor level and there were concerns that a three-storey extension could impact on the amenity of the residential occupiers. Objections have also been raised regarding loss of privacy, overlooking and loss of light to neighbouring properties. As noted above under the current application is proposed to erect two storey side and rear extensions both located away from the windows to neighbouring properties.
- 10.41 At the pre-application stage concerns were also raised regarding the terrace proposed at rear second floor level resulting in loss of privacy to the adjoining property 91. Under the current submission the proposed private rear terrace and extended roof gable end at second floor level was omitted from the proposal and the rear elevation was redesigned. This is considered to address the concerns raised regarding loss of privacy to the adjoining property including no. 91. A condition is recommended to reduce the (rear) terrace serving Flat 4 to 5sqm in size. The proposal is overall not considered to result in harmful overlooking to neighbouring properties. The gardens to neighbouring properties are already overlooked by the windows to the rear elevation at the application site and neighbouring properties. The proposals are not considered to exacerbate the degree overlooking to the neighbouring gardens.



Image showing rear windows to adjoining property at no. 91 Crouch Hill

- 10.42 The BRE guidance for daylight includes the use of the 45 degree ‘rule of thumb’ approach. It advises that a significant amount of light to a neighbouring window opening is likely to be blocked if the centre of the window or in the case of a floor to ceiling height such as a patio door, a point 1.6m above ground lies within the 45-degree angle of the new extension on both plan and elevation. In short, a 45-degree angle line is drawn out from the centre point of the window on the elevation and also on the floorplan. The BRE Guidelines state that if a proposed neighbouring extension obstructs both of these 45 degree lines (i.e. in height and depth) then the extension may cause noticeable loss of light and a more detailed BRE compliant daylight/sunlight assessment should be carried out. If it obstructs one of these lines but not both then sufficient light should be maintained.
- 10.43 The 45-degree test has been carried out to all the rear elevation windows and doors at the adjoining property at no. 91. The proposed side and rear extension and associated new terraces would pass the 45-degree test in both plan form and elevation. It is therefore considered that the proposal would not have an impact on the light levels to the neighbouring property at no. 91.
- 10.44 In light of the above, it is considered that the proposed development would not harm the living conditions of the occupiers of the adjoining occupiers, including no. 91 Crouch Hill. Accordingly, the proposal does not conflict with Policies CS8 and CS9 of Islington’s Core Strategy nor Policy DM2.1 of Islington’s Local Plan: Development Management Policies insofar as they aim to safeguard residential amenity. The scheme would also adhere to a core principle of the National Planning Policy Framework, which is to always ensure a good standard of amenity for all occupants of land and buildings.

BASEMENT DEVELOPMENT

10.45 The relevant policy DM6.3 is concerned with site context and proportion of the site already developed, proximity to listed buildings, hydrology of a site, topography, green infrastructure, biodiversity, location of trees and shrubs.

10.46 All new basement developments are required to comply with the Adopted Basement SPD. Paragraph 7.1.12 of the SPD states that:

'For infill residential development, the scale and extent of basement within a site should respond to the site context and the prevailing scale of development in the area. Basements should be proportionate, subordinate to the above ground building element, and reflect the character of its surrounds. The proportion of the site that is built upon/under to the proportion unbuilt upon when compared with surrounding buildings is of particular importance to achieving a compatible scale of development on infill sites.'

10.47 In line with the advice within the Basement SPD, for all basement development a Structural Method Statement (SMS) must be submitted (in accordance with the SMS requirements in Appendix B) in support of any such application. A Structural Engineers Report has been submitted in conjunction with the application and this has been produced and endorsed by a Chartered Structural Engineer.

10.48 The application proposes a single storey basement extension with front and rear lightwells. The proposed basement would run under the footprint of the ground floor of the building with the exception of front and rear lightwells. The basement would have approximate 2.5m floor to ceiling heights and an overall approximate excavation depth of 2.8m. The proposed basement demonstrates an appropriate scale of development that would not project beyond the above ground footprint (with the exception of lightwells) and which reflects the site coverage of the surrounding development patterns. It is considered to retain adequate space for meaningful landscaping and natural drainage to be maintained. Based on the proposed depth and scale of the basement, it would comply with the Basement Development SPD.

10.49 Concern has been raised with regards to the structural stability of adjoining buildings. The NPPG advises that the effects of land instability may result in landslides, subsidence or ground heave. Failing to deal with this issue could cause harm to human health, local property and associated infrastructure, and the wider environment. The application is also assessed in accordance with the Basement SPD which aims to promote best practice in terms of basement development in the borough.

10.50 It is important to note when dealing with land that may be unstable, the planning system works alongside a number of other regulations outside the realms of planning legislation including Building Regulations, which seek to ensure that any development is structurally sound as well as the requirements under the Party Wall Act. Any development hereby approved would also be required to fully comply with these regulations.

10.51 The Structural Engineers Report provides a construction methodology to minimise the risk to adjoining occupiers. This confirms that underpinning of the existing foundations is proposed to be carried out. The potential impact to adjoining properties has been looked at and reported on within the SMS, which appears to have dealt with these buildings in line with the SPD requirements in the design and mitigation proposals (underpinning and monitoring). As such condition requiring the implementation of the permission in accordance with an approved method statement would be consistent with the Basement Development SPD.

- 10.52 A further condition also has been attached requiring that the certifying professional (or replacement with a suitably qualified person with relevant experience) endorsing the SMS is retained for the duration of construction.
- 10.53 The site is not located within a flood risk zone. In relation to groundwater, The Structural Engineering Report and the Structural Basement Impact Assessment Report comment that the underlying layer is London Clay and that ground water flows are considered likely to be minimal to negligible. As such there is considered to be no adverse risk to the application site or potential risk to those adjoining occupiers, subject to supervised expertise during construction.
- 10.54 It is expected that detailed Landscape Strategy be submitted with any application, detailing how the scheme is designed to provide sufficient landscaping and protect and enhance biodiversity value on site in accordance with policies DM6.3(E) and DM6.5.

TREES

- 10.55 In accordance with Development Management Policy DM6.5 (Landscaping, trees and biodiversity), all developments must protect, contribute to and enhance the landscape, biodiversity value and growing conditions of the development site and surrounding area, including protecting connectivity between habitats. Developments are required to maximise the provision of soft landscaping, including trees, shrubs and other vegetation, and maximise biodiversity benefits.
- 10.56 It is noted that several trees protected by a Tree Preservation Order (TPO 28/1977) are located off the southern site boundary away from the application site. To facilitate the proposed development and increase garden space two low quality trees are proposed for removal. These trees are not protected by the above TPO. An existing rear addition has already been constructed within the RPA of (T1) Plane, it is suspected that the construction of this structure would have removed any roots from this tree previously within that area.
- 10.57 The proposed new extension occupies a similar footprint to the existing one, the only new incursion within the RPA of this tree would be for a new basement / light well area however according to the arboricultural report this will be insignificant and equal to approx. 2% of the total RPA.
- 10.58 The overall juxtaposition between the proposed extension and off-site trees will not be dissimilar to the current one, furthermore as the crown of (T1) has been historically pruned, the principle of future crown pruning would be acceptable.
- 10.59 In principle there are no significant objections to the proposals. The information received shows the impacts on off-site trees should be minimal. The Tree Officer does not object provided the recommendations contained within this report are adhered to by construction staff trees then retained trees will be adequately protected. A condition has been attached to the application requiring the arboricultural method statement report and the tree protection plans for demolition and construction submitted in support of the application to be fully adhered to.

SINC AND OPEN SPACE SAFEGUARDING

- 10.60 Part C of Policy DM6.2 of the Development Management Policies seeks to protect and maximise biodiversity benefits to Public Open Space and promotes planting of native and local provenance species within Site of Importance for Nature Conservation (SINC).
- 10.61 The Parkland Walk to the south of the application of the application site has is designated as a Metropolitan Open Land (MOL1), Open Space (OS125) and Site of Importance for Nature Conservation (44). The application site does not directly adjoin the Parkland Walk there is a 4m driveway separating the site and the Parkland Walk. The proposed development which would not encroach on the Parkland Walk is not considered to impact on the designated Metropolitan Open Land (MOL1), Open Space (OS125) and SINC area. The proposal would therefore not contravene with policy DM6.2 which seeks safeguard, public open space, biodiversity benefits and Sites of Importance for Nature Conservation.

HIGHWAYS AND TRANSPORTATION

Residential Parking

- 10.62 Concerns have been raised regarding parking resulting from additional cars in the area. Islington policy identifies that all new development shall be car free. Car free development means no parking provision will be allowed on site and occupiers will have no ability to obtain car parking permits, except for parking needed to meet the needs of disabled people. The applicant planning statement confirms the application scheme is to be car free. No car parking is to be provided and there is to be no ability to obtain car parking permits by future occupiers. Car free development is to be secured via condition and legal agreement.

Cycle Parking

- 10.63 The provision of secure, sheltered and appropriately located cycle parking facilities (residents) will be expected in accordance with Transport for London's guidance: 'Cycle Parking Standards – TfL Proposed Guidelines'. Policy DM8.4 of the Development Management Policies supports sustainable methods of transport and requires the provision of 1 cycle space per bedroom.
- 10.64 It is proposed to provide 11 cycle spaces within the existing front garage with direct access from Crouch Hill. It is also proposed to include 3 additional cycle parking spaces for visitors at the communal area to the front of the building. The proposed cycle spaces are secured by Condition 7.

SUSTAINABILITY

- 10.65 Policy DM7.1 seeks to ensure development proposals integrate best practice sustainable design standards (as set out in the Environmental Design SPD), during design, construction and operation of the development. Also that minor developments creating new residential units shall be accompanied by a Sustainable Design and Construction Statement (SDCS), including where relevant an Energy Statement. The SDCS shall clearly set out how the application complies with relevant sustainable design and construction policies and guidance.

- 10.66 A Sustainable Design and Construction Statement was submitted to support the application. This report outlines the proposed sustainability and energy strategy for the proposed Aber Hotel development. It is stated in the statement that each of the proposed initiatives has been assessed on the relative sustainability potential and suitability to the site.
- 10.67 The principle objectives are to reduce the site's contribution to the cause of climate change by minimising the emissions of CO₂, by reducing the site's needs for energy and by providing some of the requirement by renewable/ sustainable means. Issues such as water and waste, biodiversity were also addressed in the study.
- 10.68 The submitted report proposes
- to improve building fabric in accordance with Part L1B 2013 of the Building regulations
 - to reduce energy consumption and carbon dioxide emissions through passive and energy efficiency measures
 - investigate the possibility of connection into existing District Heating/ Cooling Networks
 - investigate the feasibility of providing Central CHP Plant to serve the base heating and water requirements for the development
 - to proposed to reduce energy consumption and carbon dioxide emissions further through the use of onsite renewable/LZC energy technologies
- 10.69 The Statement also highlights that the proposed development will meet the energy and carbon policy requirements of the Mayor and Council's policies by:
- Adopting the energy hierarchy when determining the energy strategy
 - Achieving more than a 10% reduction in regulated carbon emissions for the development compared to the baseline calculation (Part L1B 2013) by good fabric standard, energy efficiency systems and passive design features
 - Achieving more than a 7% reduction in carbon emissions (regulated) through the provision of on-site renewable energy generation.
- 10.70 Other features such as sustainable material selection, low water consumption and internal and external recycling provision will also contribute to enabling future occupants to live more sustainably. In the interest of securing sustainable development a condition has also been attached to the application requiring the dwellings to be constructed to achieve a 19% reduction in regulated CO₂ emissions and water efficiency target 110 l/p/d.

REFUSE AND RECYCLING

- 10.71 The Council's publication entitled 'Recycling and Refuse Storage Requirements' provides guidance on storage for mixed use schemes. The aforementioned guidance is just that and should not be regarded as a mandatory requirement. It does however provide clear guidance in terms of the waste and recycling capacity.
- 10.72 It is proposed that the refuse and recycling storage is located along with cycle storage within the existing garage to the front of the application site accessed directly from the pavement along Crouch Hill. From the floor it is shown that there is a 3300 litre capacity for residential refuse and recycling.

- 10.73 Overall, the proposal would make satisfactory provision for refuse and recycling storage. A condition is attached to ensure that refuse and recycling facilities are provided prior to the first occupation of the development. This would be in line with Policy CS 11 of the Core Strategy and the Islington Street Environment Services 'Recycling and Refuse Storage Requirements' which seek to encourage sustainable waste management.

SMALL SITES AFFORDABLE HOUSING CONTRIBUTIONS

- 10.74 The Council's Affordable Housing Small Sites Contributions Supplementary Planning Document (SPD) together with Core Strategy policy CS12 Part G states that development proposals below a threshold of 10 residential units (gross) will be required to provide a financial contribution towards affordable housing provision elsewhere in the borough.
- 10.75 Paragraph 3.0.5 of the SPD states 'in line with the evidence base, the council will expect developers to be able to pay a commuted sum of £50,000 per unit for sites delivering fewer than 10 residential units in the north and middle parts of the borough where this site is located.
- 10.76 A Viability Assessment has been provided to demonstrate that the proposal would not be viable if there is a financial contribution to towards affordable housing. Adams Integra stated that the approach they took in the financial viability appraisal study follows the well-recognised methodology of residual land valuation (RLV). Put simply the residual land value produced by a potential development is calculated by subtracting the costs of achieving that development from the revenue generated by the completed scheme.
- 10.77 Adams Integra asserted that this appraisal demonstrates that the scheme is able to support an affordable housing contribution of £83,411 and remain viable. Should the Council be minded to grant planning approval, the applicant should be required to provide a contribution of £83,411 towards affordable housing. This scheme has been looked at in terms of its particular financial characteristics and it represents no precedent for any sustainable approach on the Council's policy base. The Adams Integra's Report is attached at Appendix 3 of this report.
- 10.78 The internal Viability Officer commented that having reviewed the appraisal inputs adopted by Adams Integra, they agree that these are all reasonable assumptions. It was noted that the proposed development's viability is constrained by high build costs due to the extensive basement works and the high Benchmark Land Value of £1,800,000. Additionally, the achievable sales values are lower due to the subject site being in the north of the borough where sales values are typically lower. The lower sales values when combined with the high build costs and the site's high existing use value as a functioning hotel have led to a reduction in viability. This decline in viability has resulted in a reduced affordable housing contribution. In view of this, the internal Viability Team agrees with Adams Integra's conclusion that the application CANNOT viably provide the full required Small Sites affordable housing contribution of £250,000, but can provide a partial contribution of £83,411.
- 10.79 The applicant has stated their willingness to enter into a Unilateral Undertaking in respect of the above sums. At present this UU is not signed or completed. Any planning permission is therefore subject to the finalising of a UU.

COMMUNITY INFRASTRUCTURE LEVY

- 10.80 This will be calculated in accordance with the Mayor's adopted Community Infrastructure Levy Charging Schedule 2012 and the Islington adopted Community Infrastructure Levy Charging Schedule 2014. The payments would be chargeable on implementation of the private housing.

OTHER MATTERS

- 10.81 Concerns were raised regarding obstruction of views of the Parkland Walk. There are no policies protecting the private views. The application therefore could not be refused for this reason. The scale of the development is considered proportionate to the site and there is no material loss of outlook or enclosure to neighbours.
- 10.82 Concerns were raised regarding dust, noise, disruption and traffic during building works are also not material planning considerations. Should these concerns arise they would require to report directly to the Council's Public Protection Team. Attention is also brought to Condition 8 attached requiring the submission of a Construction Environmental Management Plan to mitigate impacts during building works.
- 10.83 Clarification was sought for various issues for related to building works. It is considered that the proposed drawings and supporting documents clearly show the proposals. With regards to the clarification sought during building works this will be detailed within the Construction Management Plan which would require to be submitted and approved in writing prior to works commencing on site.
- 10.84 Concerns have been raised in relation to the lack of nesting locations for swifts and bats. Whilst it is acknowledged that no nesting locations have been identified, this matter can be controlled by way of condition. As such a condition has been recommended for at least 3 nesting box locations to be provided.

11. SUMMARY AND CONCLUSION

Summary

- 11.1 A summary is provided at paragraph 4.1 and 4.5 of this report.

Conclusion

- 11.2 It is recommended that planning permission be granted subject to conditions and section 106 legal agreement head of terms as set out in Appendix 1.

APPENDIX 1 – RECOMMENDATIONS

RECOMMENDATION A

That planning permission be granted subject to the prior completion of a Deed of Planning Obligation made under section 106 of the Town and Country Planning Act 1990 between the Council and all persons with an interest in the land (including mortgagees) in order to secure the following planning obligations to the satisfaction of the Head of Law and Public Services and the Service Director, Planning and Development / Head of Service – Development Management or, in their absence, the Deputy Head of Service:

ALTERNATIVELY, should this application be refused (including refusals on the direction of The Secretary of State or The Mayor) and appealed to the Secretary of State, the Service Director, Planning and Development / Head of Service – Development Management or, in their absence, the Deputy Head of Service be authorised to enter into a Deed of Planning Obligation under section 106 of the Town and Country Planning Act 1990 to secure the heads of terms as set out in this report to Committee.

The Heads of Terms are:

- A financial contribution of **£83,411** towards the provision of off-site affordable housing.
- Car Free – No parking permits are to be secured for the new residential units

All payments are due on commencement of development and are to be index-linked from the date of committee. Index linking is calculated in accordance with the Retail Price Index. Further obligations necessary to address other issues may arise following consultation processes undertaken by the allocated S106 Officer.

RECOMMENDATION B

That the grant of planning permission be subject to **conditions** to secure the following:

List of Conditions:

1	Commencement
	CONDITION: The development hereby permitted shall be begun not later than the expiration of three years from the date of this permission. REASON: To comply with the provisions of Section 91(1) (a) of the Town and Country Planning Act 1990 as amended by the Planning and Compulsory Purchase Act 2004 (Chapter 5).
2	Approved plans list
	CONDITION: The development hereby approved shall be carried out in accordance with the following approved plans: 1642-E01-00 Rev P2, 1642-E01-01 Rev P2, 1642-E02-00 Rev P2, 1642-E02-01 Rev P2, 1642-E02-02 Rev P2, 1642-E02-03 Rev P2, 1642-E02-04 Rev P2, 1642-E03-00 Rev P2, 1642-E03-01 Rev P2, 1642-E03-02 Rev P2, 1642-E04-00 Rev P2, 1642-E04-01 Rev P2, 1642-P01-01 Rev P5, 1642-P02-00 Rev P2, 1642-P02-01 Rev P2, 1642-P02-02 Rev P4, 1642-P02-03 Rev P5, 1642-P02-04 Rev P4, 1642-P03-00 Rev P2, 1642-P03-01 Rev P3, 1642-P03-02 Rev P3, 1642-P04-00 Rev P3, 1642-P04-01 Rev P2, 1642-P04-02 Rev P2, 1642-P04-03 Rev P1, 1642-P04-04 Rev P2, Design and Access Statement, Daylight and Sunlight Assessment, Viability Analysis,

	<p>Ecological Report – Extended Phase 1 Habitat Assessment: Bat Survey Report, Arboricultural Report – Assessment of Trees in Relation to Development for Planning Purposes, Arboricultural Report – Method Statement for Planning, Structural Engineering Report – Structural Basement, Impact Assessment Report, Sustainable Design and Construction Statement, Soft Landscaping Plan/Strategy, Supporting Planning Statement by Apcar Smith Planning, Applicants Supporting letter dated 190207, Planning Application Cover Letter 181101.</p> <p>REASON: To comply with Section 70(1) (a) of the Town and Country Act 1990 as amended and the Reason for Grant and also for the avoidance of doubt and in the interest of proper planning.</p>
3	Materials
	<p>MATERIALS (COMPLIANCE): The development shall be constructed in accordance with the schedule of materials noted on the plans and within the Design and Access Statement. The development shall be carried out strictly in accordance with the details so approved and shall be maintained as such thereafter.</p> <p>REASON: In the interest of securing sustainable development and to ensure that the resulting appearance and construction of the development is of a high standard.</p>
4	Rooflights (Compliance)
	<p>CONDITION: The proposed rooflight shall be in metal painted black to sit flush with the roof and shall be maintained as such thereafter.</p> <p>REASON: In order to safeguard the special architectural of the building.</p>
5	Car free development restriction
	<p>Car-Free Development: All future occupiers of the 5 residential dwellings hereby approved shall not be eligible to obtain an on street residents parking permit except:</p> <ul style="list-style-type: none"> i) In the case of disabled persons; ii) In the case of units designated in this planning permission as non-car free; or iii) In the case of the resident who is an existing holder of a residents' parking permit issued by the London Borough of Islington and has held the permit for a period of at least one year. <p>Reason: To ensure that the development remains car free.</p>
6	Visual Screens (Compliance)
	<p>CONDITION: The visual screen(s) to roof terrace(s) shown on the drawings hereby approved shall be installed prior to the first occupation of the development and shall be maintained as such thereafter into perpetuity.</p> <p>REASON: To prevent undue overlooking (oblique, backwards or otherwise) of neighbouring habitable room windows.</p>
7	Refuse/Recycling Provided and Cycle Parking Provision (Compliance)
	<p>CONDITION: The dedicated refuse / recycling and the bicycle storage area(s) hereby approved as shown on drawing no. 1642-P02-03 Rev. P4 shall be provided prior to the first occupation of the development hereby approved and shall be maintained as such thereafter into perpetuity.</p>

	<p>REASON: To secure the necessary physical waste enclosures to support the development and to ensure that responsible waste management practices are adhered to; ensure adequate cycle parking is available and easily accessible on site and to promote sustainable modes of transport.</p>
<p>8</p>	<p>Construction and Environmental Management Plan (CEMP) Details.</p>
	<p>CONDITION: No Development works shall take place on site unless and until a Construction and Environmental Management Plan (CEMP) has been submitted to and approved in writing by the Local Planning Authority. The approved plan shall be adhered to throughout the construction period. The CEMP should include details on the access, parking and traffic management and delivery arrangement throughout the construction phase of the development.</p> <p>The CEMP shall include details and arrangements regarding:</p> <ul style="list-style-type: none"> a) The notification of neighbours with regard to specific works; b) Advance notification of any access way, pavement, or road closures; c) Details regarding parking, deliveries and storage including details of the routing, loading, off-loading, parking and turning of delivery and construction vehicles and the accommodation of all site operatives', visitors' and construction vehicles during the construction period; d) Details regarding the planned construction vehicle routes and access to the site; e) Details regarding dust mitigation and measures to prevent the deposit of mud and debris on the public highway. No vehicles shall leave the site until their wheels, chassis and external bodywork have been effectively cleaned and washed free of earth, mud, clay, gravel, stones or any other similar substance; f) Details of waste storage within the site to prevent debris on the surrounding estate and the highway and a scheme for recycling/disposing of waste resulting from demolition and construction works; g) The proposed hours and days of work (with reference to the limitations of noisy work which shall not take place outside the hours of 08.00-18.00 Monday to Friday, 08.00-13.00 on Saturdays, and none on Sundays or Bank Holidays.) h) Details of any proposed external illumination and/or floodlighting during construction, including positions and hours of lighting; i) Details of measures taken to prevent noise disturbance to surrounding residents; j) Information on access and security measures proposed to prevent security breaches at the existing entrances to the site, to prevent danger or harm to the neighbouring residents, and to avoid harm to neighbour amenity caused by site workers at the entrances to the site; k) Details addressing environmental and amenity impacts (including (but not limited to) noise, air quality, smoke and odour, vibration and TV reception) l) Details as to how safe and convenient vehicle access will be maintained for all existing vehicle traffic using Hungerford Road at all times, including emergency service vehicles; m) Details of any construction compound including the siting of any temporary site office, toilets, skips or any other structure; and

	<p>n) Details of any further measures taken to limit and mitigate the impact of construction upon the operation of the highway and the amenity of the area.</p> <p>o) Details of measures taken to minimise the impacts of the construction process on air quality, including NRMM registration.</p> <p>The report shall assess the impacts during the construction phase of the development on the surrounding roads, together with means of mitigating any identified impacts. The report shall also identify other local developments and highways works, and demonstrate how vehicle movements would be planned to avoid clashes and/or highway obstruction on the surrounding roads.</p> <p>The demolition and development shall thereafter be carried out in accordance with the approved details and measures.</p> <p>The development shall be carried out strictly in accordance with the details so approved and no change therefrom shall take place without the prior written consent of the Local Planning Authority.</p> <p>REASON: In order to secure the safe and efficient operation of the highway network, local residential amenity and to mitigate the impacts of the development.</p>
9	Construction Monitoring
	<p>CONDITION: The Structural Engineers Report (Ref: AMA_REP_01 Rev. 01) dated June 2018 as set out will be overseen by the relevant and suitably qualified persons, particularly for key structural phases. A certified professional (or replaced with suitably qualified person with relevant experience) endorsing the Structural Engineers Report shall be retained for the duration of construction.</p> <p>REASON: To ensure no harm to neighbouring occupiers.</p>
10	Carbon and Water Efficiency
	<p>CONDITION: The dwellings hereby permitted shall be constructed to achieve a 19% reduction in regulated CO2 emissions, compared to compliance with the Building Regulations 2013, and a water efficiency target of 110 l/p/d. No occupation of the dwellings shall take place until details of how these measures have been achieved.</p> <p>REASON: In the interest of securing sustainable development.</p>
11	Trees Protection
	<p>CONDITION: The arboricultural method statement report from Tim Moya Associates (ref: TMA 170913-CD-21) and the tree protection plans for demolition and construction (TMA170913-C-22 + TMA170913-C-23) submitted in support of the application shall be adhered to in full.</p> <p>Particular attention, as stipulated within section 4 of the TMA arboricultural method statement (TMA 170913-CD-21), will need to be given for the requirement of arboricultural supervision at critical stages of the development.</p> <p>REASON: Required to safeguard and enhance the character and amenity of the site and locality and to avoid any irreversible damage to retained trees pursuant to section</p>

	197 of the Town and Country Planning Act 1990 in accordance with Policy DM 6.5, policies 7.19 and 7.21 of the London Plan.
12	Bird/Bat boxes (compliance)
	<p>CONDITION: A minimum of 3 no. nesting boxes / bricks shall be installed prior to the first occupation of the building and shall be retained into perpetuity.</p> <p>REASON: To ensure the development provides the maximum possible provision towards creation of habitats and bio diversity enhancements.</p>
	INFORMATIVES
1	CIL Informative: Under the terms of the Planning Act 2008 (as amended) and Community Infrastructure Levy Regulations 2010 (as amended), this development is liable to pay the London Borough of Islington Community Infrastructure Levy (CIL) and the Mayor of London's Community Infrastructure Levy (CIL). These charges will be calculated in accordance with the London Borough of Islington CIL Charging Schedule 2014 and the Mayor of London's CIL Charging Schedule 2012. One of the development parties must now assume liability to pay CIL by submitting an Assumption of Liability Notice to the Council at cil@islington.gov.uk . The Council will then issue a Liability Notice setting out the amount of CIL payable on commencement of the development.
2	S106 agreement
	SECTION 106 AGREEMENT: You are advised that this permission has been granted subject to a legal agreement under Section 106 of the Town and Country Planning Act 1990.
3	Surface Water Drainage
	It is the responsibility of a developer to make proper provision for drainage to ground, water course or a suitable sewer. In respect of surface water it is recommended that the applicant should ensure that storm flows are attenuated or regulated into the receiving public network through on or off site storage. When it is proposed to connect to a combined public sewer, the site drainage should be separate and combined at the final manhole nearest the boundary. Connections are not permitted for the removal of groundwater. Where the developer proposes to discharge to a public sewer, prior approval from Thames Water Developer Services will be required. They can be contacted on 0800 009 3921.
4	Construction works
	Noise from demolition and construction works is subject to control under the Control of Pollution Act 1974. You must carry out any building works that can be heard at the boundary of the site only between 08.00 and 18.00 hours Monday to Friday and 08.00 to 13.00 on Saturday and not at all on Sundays and Public Holidays. You are advised to consult the Pollution Team, Islington Council, 222 Upper Street London N1 1XR (Tel. No. 020 7527 3258 or by email pollution@islington.gov.uk) or seek prior approval under Section 61 of the Act if you anticipate any difficulty in carrying out construction other than within the hours stated above.

5	Highways Requirements
	<p>Compliance with sections 168 to 175 and of the Highways Act, 1980, relating to “Precautions to be taken in doing certain works in or near streets or highways”. This relates, to scaffolding, hoarding and so on. All licenses can be acquired through streetworks@islington.gov.uk. All agreements relating to the above need to be in place prior to works commencing. Compliance with section 174 of the Highways Act, 1980 - “Precautions to be taken by persons executing works in streets.” Should a company/individual request to work on the public highway a Section 50 license is required. Can be gained through streetworks@islington.gov.uk. Section 50 license must be agreed prior to any works commencing. Compliance with section 140A of the Highways Act, 1980 – “Builders skips: charge for occupation of highway. Licenses can be gained through streetworks@islington.gov.uk. Compliance with sections 59 and 60 of the Highway Act, 1980 – “Recovery by highways authorities etc. of certain expenses incurred in maintaining highways”. Haulage route to be agreed with streetworks officer. Contact streetworks@islington.gov.uk. Joint condition survey required between Islington Council Highways and interested parties before commencement of building works to catalogue condition of streets and drainage gullies. Contact highways.maintenance@islington.gov.uk.</p>

APPENDIX 2: RELEVANT POLICIES

RELEVANT POLICIES

National Guidance

The National Planning Policy Framework 2019 seeks to secure positive growth in a way that effectively balances economic, environmental and social progress for this and future generations. The NPPF is a material consideration and has been taken into account as part of the assessment of these proposals.

Since March 2014 Planning Practice Guidance for England has been published online.

Development Plan

The Development Plan is comprised of the London Plan 2016, Islington Core Strategy 2011, Development Management Policies 2013, Finsbury Local Plan 2013 and Site Allocations 2013.

A) The London Plan 2016

1 Context and strategy

Policy 1.1 Delivering the strategic vision and objectives for London

3 London's people

Policy 3.1 Ensuring equal life chances for all

Policy 3.3 Increasing housing supply

Policy 3.4 Optimising housing potential

Policy 3.5 Quality and design of housing developments

Policy 3.8 Housing choice

Policy 3.15 Coordination of housing development and investment

5 London's response to climate change

Policy 5.2 Minimising carbon dioxide emissions

Policy 5.3 Sustainable design and construction

Policy 5.13 Sustainable drainage

6 London's transport

Policy 6.9 Cycling

Policy 6.13 Parking

7 London's living places and spaces

Policy 7.2 An inclusive environment

Policy 7.3 Designing out crime

Policy 7.4 Local character

Policy 7.6 Architecture

7 Protecting London's open and natural environment

Policy 7.18 Protecting open space and addressing deficiency

Policy 7.19 Biodiversity and access to nature

Policy 7.21 Tree and woodlands

8 Implementation, monitoring and review

Policy 8.2 Planning obligations

Policy 8.3 Community infrastructure levy

B) Islington Core Strategy 2011

Spatial Strategy

Policy CS8 (Enhancing Islington's Character)

Strategic Policies

Policy CS9 (Protecting and Enhancing Islington's Built and Historic Environment)

Policy CS10 (Sustainable Design)

Policy CS12 (Meeting the Housing Challenge)

Policy CS13 (employment space)

Infrastructure and Implementation

Policy CS18 (Delivery and Infrastructure)

C) Development Management Policies June 2013

Design and Heritage

DM2.1 Design

DM2.2 Inclusive Design

Housing

DM3.1 Mix of housing sizes

DM3.4 Housing standards

DM3.5 Private outdoor space

Health and open space

DM6.2 New and Improved public open spaces

DM6.3 Protecting open space

DM6.5 Landscaping, trees and biodiversity

Energy and Environmental Standards

DM7.1 Sustainable design and construction statements

DM7.2 Energy efficiency and carbon reduction in minor schemes

DM7.4 Sustainable design standards

Transport

DM8.4 Walking and cycling

DM8.5 Vehicle parking

Infrastructure

DM9.2 Planning obligations

Designations

The site has the following designations under the London Plan 2016, Islington Core Strategy 2011, Development Management Policies 2013, Finsbury Local Plan 2013 and Site Allocations 2013:

- Major Cycle Route
- Alexandra Palace viewing terrace to St Paul's Cathedral
- Article 4 Direction A1 – A2 (Rest of Borough)

The following designations relate to the Parkland Walk, immediately to the south of the site

- Metropolitan Open Land (MOL1)
- Open Space (OS125)
- Site of Importance for Nature Conservation (44).

Supplementary Planning Guidance (SPG) / Document (SPD)

The following SPGs and/or SPDs are relevant:

Islington Local Plan

- Environmental Design
- Affordable Housing Small Sites Contribution
- Accessible Housing in Islington
- Urban Design Guide
- Inclusive Design
- Basement Development

London Plan

- Accessible London: Achieving and Inclusive Environment
- Housing
- Sustainable Design & Construction



Viability Appraisal

89 Crouch Hill London N8 9EG

Background

Adams Integra have been instructed by the London Borough of Islington to comment on the viability of the proposed development at Land to the rear of 89 Crouch Hill, Islington.

The comments made by Adams Integra relate to the proposed development to apply for planning permission for the following (P2018/3775/FUL):

“Change of use of a hotel (C1 Use) with accommodation for 12 bedrooms into 5 self-contained residential units (C3 Use) comprising of 2no. three-bed, 2no. two-bed and 1no. one-bed with associated external works consisting of erection of replacement larger two-storey side extension and larger two storey rear extension; creation of a new window opening to existing front dormer; erection of new dormer and replacement dormer and insertion of 3 no. new rooflights to rear roof slope; creation of a refuse/cycle store in place of garage, creation of terraces at ground, first and roof level with associated metal railings balustrades, landscaping works ; internal reconfiguration and basement excavations including creation of front and rear lightwells.”

Our comments relate purely to the viability of the scheme and do not cover any other planning matters.

We have been provided with a viability report carried out by Willis & Co dated October 2018.

The Willis & Co report concludes the following:

To be clear the fact that the enclosed viability assessment shows a profit of less than 20% re-iterates the fact that the Affordable Housing Small Sites Contributions cannot be expected to be paid in this instance. The applicant does not have the capital to pay it at this stage and it would make the development unviable. Although; when the AHSSC is removed a suitable profit can be expected; the main reason that the applicant wants to create the residential units is for a long-term viable gain. That is; the applicant will create much needed and desired dwellings and rent them out in the short term and that over this period of time it is envisaged that the house prices will rise (and rise faster than the value of the existing building). This means that the rental income will pay for the mortgage repayments with the profit becoming more apparent in the longer term.

Viability is considered to be a material consideration which Local Planning Authorities are obliged to take into account in considering planning requirements.

Adams Integra have a considerable track record of assessing viability of planning gain requirements both for Local Authorities and for developers. This expertise runs to several years work for 73 Local Authorities and for a range of national, regional and local developers.

The writer of this report, David Coate, has over 30 years' experience in the development industry working for Local Authorities and developers as well as RPs and consultancy. He is experienced in considering viability analysis.

Matters of Fact

The need to consider viability is a material consideration. The need for a negotiation between the LPA and an applicant in terms of the amount of planning gain and when it is delivered is an essential element of the determination of any planning application where planning gain is required. There is no debate about the reasonableness of the Council's requirements, the nub of the issue is the impact in this case of what is required and how that affects the profitability of the scheme.

To take a view on a viability assessment put to us, we first consider viability without any S106 contributions to test base assumptions; and then include contributions to review its impact.

We have carried out a viability appraisal based on industry standard assumptions. We have also considered the information provided by the applicant.

We have used the Homes and Communities Agency's Development Appraisal Tool (HCA DAT) which is a recognised method of assessing viability and has been used at many

inquiries where viability is an issue. The scheme has been appraised against benchmark land value for the site/building. In this case we have used HCA DAT to calculate the Residual Land Value and assess whether the scheme is viable by comparing that RLV with the benchmark land value.

The Planning Gain requirement

It is important to note that the applicability of the planning gain is not at issue in this report; it is its impact on the making of a reasonable profit level. The Policy of London Borough of Islington is that all minor residential developments resulting in the creation of one or more additional residential unit(s) are required to provide a commuted sum of £50,000 per unit, towards the costs of providing affordable housing units on other sites within the borough.

In this case the required affordable housing contribution is £250,000 as the net gain is five new residential units.

Appraisal summary

We have carried our own appraisal of the scheme based on standard generic values but with actual values or estimates where these are given by the applicant and we are in agreement.

We have carried out an appraisal which includes the required £250,000 affordable housing to determine whether the residual land value is in excess of the benchmark land value.

Assessment of figures

The appraisals presented with this report have been assessed by the writer with his considerable experience in this field.

Benchmark Land Value

The recently published Planning Policy Guidance (July 2018) says the following:

“How should land value be defined for the purpose of viability assessment?”

*To define land value for any viability assessment, a benchmark land value should be established on the basis of the **existing use value (EUV)** of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called ‘existing use value plus’ (EUV+).*

In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.”

The viability report from Willis & Co says the following:

“The freehold price of the existing building is assessed at £2,500,000 (please see Appendix C).”

Appendix C contains three separate opinions of the current value of the property which they all state is £2,500,000.

There is no further evidence provided as to how this conclusion was reached.

The VOA Summary valuation for 89, Crouch Hill shows a rateable value of £28,750 (April 2017). Applying a yield of 5% would result in a land value of £575,000.

We have reviewed local hotel comparables and found two within the near vicinity of the subject site, 59 Anson Road and 1 Church Lane (See Appendix 3).

59 Anson road has 15 rooms and is being marketed for £2,000,000 which equates to £133,333 per room; whilst 1 Church lane has 16 rooms and is being marketed at £1,950,000, which equates to £121,875 per room.

Using these comparables the average per room rate is £127,604 and applying this to the subject property’s 12 rooms results in an EUV of circa £1,531,250.

59 Anson Road and 1 Church Lane’s values are asking prices, we therefore rounded down to arrive at an Existing Use Value of £1,500,000.

As per the NPPF methodology of using EUV + an uplift to arrive at a Benchmark land Value and applying an uplift of 20% to the value of £1,500,000 would result in a benchmark land value of £1,800,000.

It is our opinion that this is a fair and reasonable assumption of the benchmark land value.

We have carried out a residual land valuation of the proposed scheme which we then compare to the benchmark land value for the hotel.

Build Costs

The Willis & Co report shows two build costs of £1,185,811 and £987,000 which equate to a rate of £2,647 per m² (including externals) and £2,203 per m² (including externals).

BCIS rates for refurbishment show a range from a median rate of £1,544 per m² to an upper quartile rate of £2,009 per m². For the new build element these range from a median rate of £1,784 per m² to an upper quartile rate of £2,105 per m². These rates do not include for external works. (see Appendix 4).



It is our opinion that different elements of the build will require different build costs per square metre in comparison with others. We have assumed a build cost figure of £3,000 per m² for the basement works and applied this to the basement area GIA of 106 m² providing a figure of £318,000.

We have assumed the BCIS Upper Quartile Refurbishment/Conversion for a 3-5 storey structure of £1,772 per m² and applied this to the GIA of 315sqm resulting in a figure of £558,180.

For the extensions we have adopted the BCIS Median Quartile New Build for a 3-5 storey building of £1,784 per m² and applied this to the GIA of 27 m² resulting in a figure of £48,168.

This results in a total build cost figure of £924,348.

We have also adopted 5% for externals which results in a total build cost of £970,565 not including contingencies.

Sales Values

Regarding the sales prices of the proposed new flats the Willis & Co report says the following:

“Local estate agents have totalled the value of the proposed 5 residential units at £4,500,000 (enclosed in Appendix D).”

Should the property be converted into the following five units, we would expect the values to be as follows:

Unit 1 – 3 beds, 117 Sq.M.,	£1,100,000
Unit 2 – 3 beds, 107 Sq.M.,	£1,100,000
Unit 3 – 2 beds, 71 Sq.M.,	£750,000
Unit 4 – 1 beds, 51 Sq.M.,	£600,000
Unit 5 – Penthouse, 72 Sq.M.,	£950,000
TOTAL	£4,500,000

This equates to the following sales rates:

Unit 1	3 bed (basement and ground floor)	117 m ²	£1,100,000	£9,402 per m ²
Unit 2	3 bed (basement and ground floor)	107	£1,100,000	£10,280 per m ²

Unit 3	2 bed first floor	71	£750,000	£10,563 per m ²
Unit 4	1 bed first floor	51	£600,000	£11,765 per m ²
Unit 5	2 bed penthouse	72	£950,000	£13,194 per m ²

We have carried out web-based research using Zoopla and Rightmove and through talking to local estate agents and it is our opinion that the sales values are too high and too optimistic. (See Appendix 2).

We have adopted the following values which we believe are more realistic:

Unit 1	3 bed (basement and ground floor)	117 m ²	£1,050,000	£8,974 per m ²
Unit 2	3 bed (basement and ground floor)	107	£1,025,000	£9,579 per m ²
Unit 3	2 bed first floor	71	£735,000	£10,352 per m ²
Unit 4	1 bed first floor	51	£500,000	£9,804 per m ²
Unit 5	2 bed penthouse	72	£750,000	£10,416 per m ²

We have included ground rents at £300 per annum and a yield of 5%.

Reasonable Profit Level

Adams Integra has represented numerous clients in both Appeal and Local Planning Inquiry context. The RICS Guidance Note – Financial viability in planning (2012) states the following at Paragraph 3.3.2:

The developer's profit allowance should be at a level reflective of the market at the time of the assessment being undertaken. It will include the risks attached to the specific scheme. This will include both property-specific risk, i.e. the direct development risks within the scheme being considered, and also broader market risk issues, such as the strength of the economy and occupational demand, the level of rents and capital values, the level of interest rates and availability of finance. The level of profit required will vary from scheme to scheme, given different risk profiles as well as the stage in the economic cycle. For example, a small scheme constructed over a shorter timeframe may be considered relatively less risky and therefore attract a lower profit margin, given the exit position is more certain,

than a large redevelopment spanning a number of years where the outturn is considerably more uncertain.

In this case a fair and reasonable approach, given the low level of risk, the strength of the economy and the relatively high capital values in Islington, would be to calculate the level of profit 15% of Gross Development Value.

Design fees

The Willis & Co appraisal includes £31,800 of planning fees and a further 15% of the build cost for professional fees (£177,872). It is our opinion that this is too high. We have adopted a rate of 10% of the build costs to reflect the total professional fees.

Contingencies

We have included contingencies at 5%.

Finance

We have used an interest rate of 6% which is a reasonable assumption.

Scheme Timings

We have assumed a 6-month lead in period to start on site and a 12-month build period. We have assumed the sales will commence upon completion of the project and we have allowed a 4 month sales period.

Sales and Marketing

We have assumed 2% for sales and marketing costs.

CIL

We have included CIL as follows:

Islington CIL: £39,251

Mayoral CIL: £9,440

Combined Total: £48,691

Conclusions

The approach taken in this study follows the well-recognised methodology of residual land valuation (RLV). Put simply the residual land value produced by a potential development is calculated by subtracting the costs of achieving that development from the revenue generated by the completed scheme.

The results of the RLV are then compared to the benchmark land value (BLV). If the RLV is more than the EUV then the scheme produces a surplus and is viable if not then there is a deficit and the scheme is not viable.



We have carried out an HCA DAT appraisal of the current scheme using the input values described including the required £250,000 affordable housing contribution.

The appraisal, which can be found at Appendix 1, produces a residual land value of £1,646,992.

When compared to the “benchmark value” of £1,800,000 this results in a **deficit** of £153,008 demonstrating that the scheme is not viable at a profit level of 15%.

We then reduced the affordable housing contribution until the residual land value reached the benchmark land value of £1,800,000.

This appraisal can be found at Appendix 1A and shows an affordable housing contribution of £83,411.

It is our opinion that this appraisal demonstrates that the scheme is able to support an affordable housing contribution of £83,411 and remain viable.

Should the Council be minded to grant planning approval it is our opinion the applicant should be required to provide a contribution of £83,411 towards affordable housing.

This scheme has been looked at in terms of its particular financial characteristics and it represents no precedent for any sustainable approach on the Council’s policy base.

Author
David Coate,
May 2019

Appendices

1. HCA DAT appraisal – proposed scheme.
- 1A HCA DAT appraisal – proposed scheme with reduced affordable housing payment.
2. Sales research.
3. Benchmark Land Value research.
4. Build costs - BCIS