



PLANNING COMMITTEE REPORT

Development Management Service
 Planning and Development Division
 Environment and Regeneration Department
 PO Box 333
 222 Upper Street
 LONDON N1 1YA

PLANNING COMMITTEE		AGENDA ITEM NO:
Date:	9 th February 2016	NON-EXEMPT

Application number	P2015/4651/FUL
Application type	Full Planning Application
Ward	Bunhill
Listed building	None
Conservation area	St Luke's Conservation Area
Development Plan Context	<ul style="list-style-type: none"> - Core Strategy Key Area – Bunhill and Clerkenwell - Finsbury Local Plan Are BC3 – Old Street - Central Activities Zone (CAZ) - Employment Priority Area (General) - Within 50m of Grade II Listed St Luke's Church - Archaeological Priority Area 2 - Moorfields - St Luke's Conservation Area
Licensing Implications	None
Site Address	112-116 Old Street, London, EC1V 9BD
Proposal	Two storey roof level and single storey basement extensions to existing B1 office building; remodelling and extension to rear/side facade, replacement windows and shopfront to front facade and various internal alterations.

Case Officer	Stefan Sanctuary
Applicant	Coastview Estates Ltd
Agent	Planning Sense

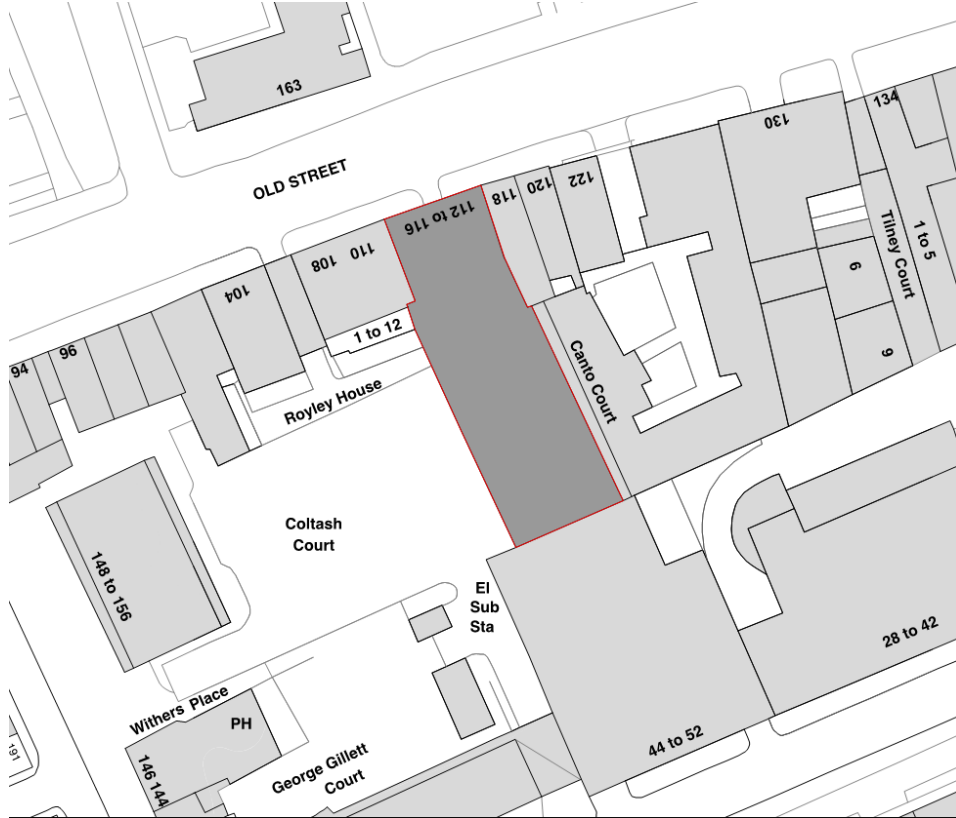
1. RECOMMENDATION

The Committee is asked to resolve to **GRANT** planning permission:

1. subject to the conditions set out in Appendix 1;

- conditional upon the 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 (site blocked dark grey)



3. PHOTOS OF SITE/STREET



Birds-eye view of site



View of building frontage from Old Street



View of site looking south-west



Looking east along Old Street



View of site from car park at rear

4. SUMMARY

- 4.1 The application site is located on the south side of Old Street and is roughly rectangular in shape. The site is occupied by two attached buildings, which provide full site coverage. To the front (north) of the site is an attractive three storey (over basement) Victorian former workshop building, with a large central arched window, pilasters and decorative cornice. To the rear (south) of the site is a larger, post war, three storey former workshop building, of a modest functional design. Both buildings currently operate as a single building providing several separate B1(a) office units occupied by a variety of tech / media firms. The planning application proposes a two storey roof level and basement extension to the existing office building. The proposal also involves the remodelling of and extensions to the rear and side façade, installation of replacement windows and shopfront to front façade as well as a number of internal alterations.
- 4.2 The land-use element of the proposal is considered to be acceptable through delivering a quality office development that would increase and improve the existing office (B1a) floorspace on the site, provide a small workspace unit with the remainder of the workspace capable of being flexibly divided for medium enterprises. Finally, the application would contribute financially towards the Council's delivery of affordable housing on Council-owned sites, though at a reduced level, as supported by a financial viability report. As such, the proposal is in accordance with Core Strategy Policy CS13 as well as Policies BC3 and BC8 of the Finsbury Local Plan
- 4.3 The proposal is considered to be of a high quality in terms of architecture and urban design. The concerns of the Design Review Panel (DRP) have been

addressed by creating a visual separation between the retained frontage building and the new rear building providing a robust justification for the use of Crittal windows and the retention of the chimney stack. As such, the application is considered to reinforce the borough's unique character by adopting traditional and contextual materials and articulation. In this respect, the application is considered to be in accordance with London Plan Policy 7.6, Islington Core Strategy Policy CS7, Finsbury Local Plan BC3 and Islington's Development Management Policy DM2.1 and DM2.3.

- 4.4 Subject to appropriate conditions relating to noise and disturbance, the proposal is not considered to have a significant detrimental impact on neighbouring residential amenity in terms of noise and disturbance, sunlight, daylight, privacy or an increased sense of enclosure. The application is thus considered to be in accordance with London Plan Policies 7.6, 7.14 and 7.15 as well as Development Management Policies DM2.1 and DM6.1.
- 4.5 Subject to appropriate conditions, the energy and sustainability measures proposed as part of this application are considered to meet the environmental objectives of the Council in accordance with London Plan Policies 5.1, 5.2 and 5.5, Islington Core Strategy Policy CS10, Development Management Policy DM7.1 as well as the aims and objectives of Islington's Environmental Design SPD. The scheme's financial viability precludes the application from contributing towards off-setting carbon emissions at present. However, a section 106 review clause is recommended to review viability at the end of the construction process to ascertain whether office values have improved to the degree that this and other contributions can then be afforded.
- 4.6 The proposal is not considered to give rise to any unacceptable impacts on transportation or the highway network and is considered to be acceptable, in accordance with relevant Islington Core Strategy Policy CS10 and Development Management Policies DM8.2 and DM8.6 subject to conditions and clauses within the s106 legal agreement.
- 4.7 Whilst the scheme is not viably able to financial contribute towards the full planning obligations required in relation to off-site affordable housing, carbon off-setting or Crossrail infrastructure, the recommendation includes provision for a viability review clause to test viability at completion stage of the development. In the event of improved office values, the outstanding contributions would be secured. In this regard, the scheme is considered to comply with Islington Core Strategy Policy CS12 and Finsbury Local Plan Policy BC8.

5. SITE AND SURROUNDING

- 5.1 The application site is located on the south side of Old Street and is roughly rectangular in shape. The site is occupied by two attached buildings, which provide full site coverage. To the front (north) of the site is an attractive three storey (over basement) Victorian former workshop building, with a large central arched window, pilasters and decorative cornice. To the rear (south) of the site is a larger, post war, three storey former workshop building, of a modest scale and functional design. Both buildings currently operate as a single building

providing several separate B1(a) office units occupied by a variety of tech / media firms (three firms occupy the building at present, one per floor).

- 5.2 The front part of the site, comprising the Victorian building, is located within the St Luke's Conservation Area while the whole of the site is located within the Moorfields Archaeological Priority Area. The site is located within the Central Activities Zone (CAZ) and within the Old Street / Whitecross Street Employment Priority Area (General). The site is within the Bunhill and Clerkenwell Key Area (Core Strategy) and Finsbury Local Plan – Old Street Area (BC3). The site has a PTAL rating of 6b.
- 5.3 The surrounding area comprises a mix of commercial, residential, and community use properties. Adjoining the west of the front section of the site is a four storey residential building (104-110 Old Street). Adjacent to the west of the rear section of the site is an open car park. Adjoining the south of the site is a four storey office building (44-52 Banner Street). Adjoining the east of the front (northern) section of the site are two small four storey Victorian terraced properties (118 & 120 Old Street), which comprise commercial (A1 retail and A5 takeaway) units at ground floor level with residential accommodation on the upper floors.
- 5.4 Adjoining the east of the rear (southern) section of the site is a large student accommodation building (Canto Court 122-128 Old Street) which is eight storeys high at the north, adjacent to the street, dropping to six storeys at the rear. To the north of the site on the opposite side of Old Street is the Redbrick housing estate, which comprises 4-storey residential blocks with a recent planning permission for infill housing including a 9-storey building at its eastern most end. To the northwest of the site is the Grade I listed St Luke's Church.

6. PROPOSAL (IN DETAIL)

- 6.1 The planning application proposes a two storey roof level and basement extension to the existing office building. The proposal also involves the remodelling of and extensions to the rear and side façade, installation of replacement windows and shopfront to front façade as well as a number of internal alterations.
- 6.2 Whilst the application proposes the retention of the frontage building, the proposal would include the reinstatement of traditional windows and original shopfront features. The third floor extension to the building would be set-back from the frontage by 3.6 metres while the extension at fourth floor level would be set back by a further 7 metres in order to lessen its impact.
- 6.3 The existing void between the frontage building and the rear building would be filled in to provide additional floorspace. The remodelling of the rear building involves the demolition of part of the ground floor, the creation of a courtyard space at basement level and a narrow extension to the building at ground, first and second floor level. The full length basement excavation and extension at third and fourth floor level along with a new and improved side elevation complete the development.
- 6.4 The development proposes 3,437 sq.m (36,995.6 sq.ft) (GIA). This amounts to an uplift of 1,538.7 sq.m (16,562.4 sq.m) (GIA) of B1(a) floorspace (or

1,034sqm (NIA). All floorspace will be of improved quality. The new floorspace has been designed to be flexible enabling it to accommodate a variety of unit types and sizes including SMEs.

- 6.5 A separate 75sqm unit is proposed at basement level, with a generous lightwell to bring light and ventilation to it. This unit constitutes greater than 5% of the floorspace uplift and would be secured as a small unit within the section 106 agreement.

7. RELEVANT HISTORY:

- 7.1 The most relevant and recent planning history associated with the site, is as follows:

Application Ref(s)	Proposal	Decision	Date
P041331	Refurbishment and extension of existing office (B1) adding space at first and second floors and a new third floor and new core within existing lightwell, all to be used for B1 purposes, with a flexible use on part of the ground floor for either B1 or A1 (retail) use. Elevational alterations facing Old Street.	Withdrawn	11/10/2007
P072176	Replacement of windows with UPVC double glazing, installation of railings to the front and replace shop fronts, with powder coated aluminium shop fronts.	Withdrawn	23/01/2008

ENFORCEMENT:

- 7.2 There is no enforcement history of relevance to this site.

PRE-APPLICATION ADVICE:

- 7.3 A series of pre-application meetings and discussions have taken place over the last 12 months, including presentation at Islington’s Design Review Panel.

8. CONSULTATION

Public Consultation

- 8.1 Letters were sent to occupants of 439 adjoining and nearby properties on Old Street, Whitecross Street, Banner Street, Tilney Court and in Canto Court, on the 20th November 2015. A site notice and press advert were displayed on the 26th November 2015. The public consultation of the application therefore expired on the 17th December 2015, however it is the Council's practice to continue to consider representations made up until the date of a decision.
- 8.2 At the time of the writing no responses had been received from the public.

External Consultees

- 8.3 Lead Local Flood Authority raised no objection to the proposal.
- 8.4 Metropolitan Police (Crime Prevention) raised no objection to the proposal.
- 8.5 Thames Water raised no objection to the proposal subject to relevant informatives.
- 8.6 The London Fire and Emergency Planning Authority raised no in principle objections to the proposal.
- 8.7 The Health & Safety Executive raised no objections to the proposal.

Internal Consultees

- 8.8 The Access Officer raised the following points about the proposal:
- The ramp from front entrance to reception should be 1:15;
 - The WC by the front reception should be at least 1500mm wide;
 - Storage for mobility scooters should be provided.

Confirmation has been provided by the applicant that these features would be provided and in the event that planning permission is granted these features would be secured by way of condition (14).

- 8.9 Design and Conservation Officer raised a number of issues:
- the windows used on the front elevation should be reconsidered;
 - the original features of the shopfront should be reinstated;
 - the brick proposed on the rear and side elevations should be lighter.

These points have now been addressed. Crittal windows shall be used on the front elevation as these are considered more appropriate to the prevalent architectural language of the Old Street area and reflective of the grain of the St Luke's Conservation Area. Moreover, the shopfront details would be

reserved by condition to ensure a successful design. Finally, the lighter brick has been agreed but this will be reserved by condition.

- 8.10 The Energy Conservation Officer raised concerns regarding the lack of information provided on connection to the District Heating Network, the maximisation of solar PVs and thermal modelling. The information requested has now been provided to the satisfaction of the Council's Energy Officer.
- 8.11 Public Protection Division raised no objections in principle subject to relevant conditions on construction, noise and land contamination.
- 8.12 Spatial Planning and Transport (Transport Officer) raised no objections to the proposal.
- 8.13 Street Environment Division queried the lack of provision of a bin store. Details of refuse / recycling storage would be required by condition.
- 8.14 The Sustainability Officer raised no objection to the proposal.

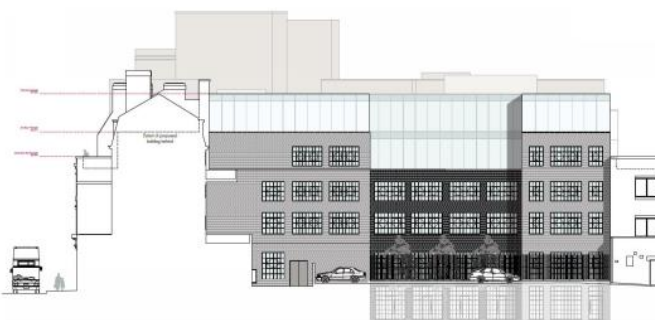
Other Consultees

- 8.15 The application was presented to the Members' Pre-application Forum on the 20th April 2015.
- 8.16 The proposal was presented and reviewed at the Design Review Panel on the 14th July 2015. A copy of the letter is attached as Appendix 3. The panel raised the following points:

- The panel welcomed the proposal to restore the building's front elevation but questioned whether timber sash or Crittal windows should be used.

Officer Response: the use of Crittal windows on the front elevation is considered to be more appropriate to the prevalent architectural language of the Old Street area and reflective of the grain of the St Luke's Conservation Area. The windows originally used on the building could have been timber sash or Crittal as the first Crittal steel windows were manufactured in 1884, which coincides with the late 19th century remodelling of the host building and would have been more appropriate for the building's historical use as a workshop/yard/factory.

- The Panel felt that the extensive use of glazing on the rear elevation would create serious problems with solar gain and overheating.

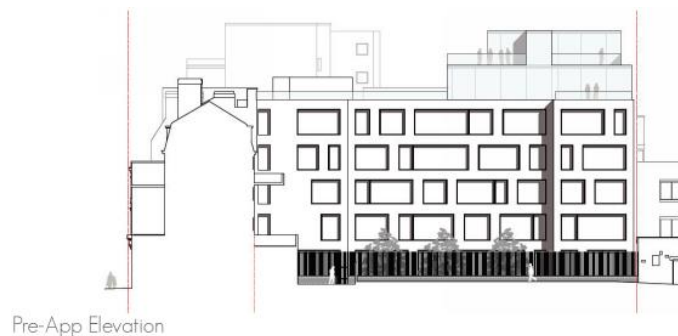


Design Review Panel Elevation

Officer Response: the amount of glazing has now been reduced and the Council's energy officer is satisfied that the proposal would not result in problems with overheating. A thermal comfort report has also been submitted which demonstrates this.

- It was considered more suitable to have a stronger distinction between the identity of the original front building and the new rear extension. Panel members suggested that an option could be to create more of a physical separation between the front building and the rear extension.

Officer Response: this physical separation has now been achieved. A large section of the side elevation is recessed and designed using a glazed curtain wall system, which creates a visual separation between the brick-built character of the front and rear of the building.



- It was argued that the upper storey might be better designed as part of the rear building in terms of materiality and design.

Officer Response: This has now been achieved through the use of consistent materials from ground to fourth floor level. Earlier iterations of the proposal involved a large glazed roof extension which separated it visually from the lower levels of the building.

- The Panel raised concerns over the internal relationship between the original front building and the rear extension, particularly the uneven floor plates.

Officer Response: Even floorplates and level access have now been achieved throughout.

- It was encouraged to retain the chimney stack to add interest to the front elevation.

Officer Response: The chimney stack is included in the design.

9. RELEVANT POLICIES

Details of all relevant policies and guidance notes are attached in Appendix 2. This report considers the proposal against the following development plan documents.

National Guidance

- 9.1 The National Planning Policy Framework 2012 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.
- 9.2 Since March 2014 Planning Practice Guidance for England has been published online.
- 9.3 Under the Ministerial Statement of 18 December 2014, the government seeks to increase the weight given to SuDS being delivered in favour of traditional drainage solutions. Further guidance from the DCLG has confirmed that LPA's will be required (as a statutory requirement) to consult the Lead Local Flood Authority (LLFA) on applicable planning applications (major schemes).

Development Plan

- 9.4 The Development Plan is comprised of the London Plan 2015 (Consolidated with Alterations since 2011), Islington Core Strategy 2011, Development Management Policies 2013, Finsbury Local Plan 2013 and Site Allocations 2013. The policies of the Development Plan that are considered relevant to this application are listed at Appendix 2 to this report.

Designations

- 9.5 The site has the following designations under the London Plan 2015, Islington Core Strategy 2011, Development Management Policies 2013, Finsbury Local Plan 2013 and Site Allocations 2013:

- | | |
|--------------------------------|---------------------------------------|
| - Central London Zone (CAZ) | - Employment Priority Area (General) |
| - Archaeological Priority Area | - Bunhill & Clerkenwell Core Strategy |
| - St Luke's Conservation Area | Key Area |
| - Cycle Routes (Local) | - Finsbury Local Plan Area |
| | - BC3 (Old Street) |

Supplementary Planning Guidance (SPG) / Document (SPD)

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

10. ENVIRONMENTAL IMPACT ASSESSMENT

- 10.1 No EIA is required for this development as the development proposed does not exceed the threshold of development required by Schedule 1 or 2 of the EIA regulations.

11. ASSESSMENT

11.1 The main issues arising from this proposal relate to:

- Principle (Land Use)
- Demolition of buildings within a Conservation Area
- Design, Conservation and Heritage
- Landscaping and Trees
- Neighbouring Amenity
- Accessibility
- Energy and Sustainability
- Highways and Transportation
- Section 106 and CIL

Land-use

11.2 The site falls within an Employment Priority Area (General). Policy BC8, part A of the Finsbury Local Plan (FLP) requires that in addition to protecting existing business floorspace, proposals should incorporate the maximum amount of business floorspace reasonably possible. The principle of an increase in office floorspace is therefore supported. The proposals would deliver an additional 1,538.7sqm (GIA) or 1,034sqm (NIA) of B1a office floorspace across the site.

11.3 Policy BC8, part B states that *“the employment floorspace component of a development should not be unfettered commercial office uses, but, where appropriate, must also include retail or leisure uses at ground floor”*, alongside:

i. A proportion of non-B1(a) business or business-related floorspace (e.g. light industrial workshops, galleries and exhibition space), and / or

ii. Office (B1(a)) or retail (A1) floorspace that may be suitable for accommodation by micro and small enterprises by virtue of its design, size or management, and / or

iii. Affordable workspace, to be managed for the benefit of occupants whose needs are not met by the market.

11.4 As the proposal essentially constitutes an extension to an existing building whereby the size and dimensions of the ground floor would be largely unchanged, the application has not included any retail or leisure uses at ground level. The width of the building and its narrow shopfront also lessen the potential to accommodate an office entrance and at the same time provide a mix of active uses at ground floor level. However, the ground floor frontage onto Old Street would involve large “frameless” glazing to provide a more active frontage and greater activity and visual connection with the street. This is discussed in more detail in subsequent sections of the report.

11.5 In accordance with Policy BC3 (Old Street) and BC8 (Achieving a balanced mix of uses), commercial developments of this nature and scale should provide business workspaces suitable for SMEs or affordable workspace managed for the benefit of occupants whose needs are not met by the market. The proposal is by nature suitable for small and medium-sized enterprises because of the site’s city fringe location and the small floorplates within the

building. However, a small area of 75sqm (NIA) would also be reserved for use as small workspace with details of management and monitoring arrangement with the Council detailed in the section 106 agreement. The unit, by virtue of its size, meets the affordability requirement of Policy BC8. This exceeds the policy requirement as a 5% of net internal area uplift would amount to a 52sqm (NIA) unit, whereas a 75sqm (NIA) unit is offered.

11.6 The SME space is also required to achieve a basic, but good quality fit-out, which incorporates servicing to all areas of workspace; flexible internal arrangements that permit a number of different internal work areas to be accessed from shared spaces; good standards of internal sound insulation; a range of shared spaces and facilities, such as communal breakout space, kitchen areas, bike storage and goods lifts; and external space reserved for loading/unloading in accordance with Development Management Policy DM5.4. These requirements would be secured through the legal agreement.

11.7 Turning to housing, policy BC8 part D states that:

“Where there is a net increase in office floorspace, proposals should incorporate housing consistent with London Plan Policy 4.3. Where housing comprises less than 20% of the total net increase in office floorspace, an equivalent contribution will be sought for provision of off-site housing”.

11.8 The proposal is design- and conservation-led and thus has been sensitively designed with respect of building heights and the retention of heritage assets.

11.9 Given these site constraints through the retention of the existing frontage building and the need to install additional circulation, entrance, core, plant room and ancillary space required by the introduction of residential accommodation, it is considered more appropriate to require a financial contribution towards the off-site provision of affordable housing in this instance. The financial contribution required is set out in the Planning Obligations SPD as follows:

“Increase in office floorspace (sqm) x 20% minus uplift in residential floorspace divided by average residential unit size (75sqm gross internal area) = number of additional housing units that could be achieved.

Contribution due = number of additional housing units that could be achieved (see above) x £60,000 (as this site is located south of Pentonville Road / City Road), in line with the Council’s Small Sites Affordable Housing Policy (see Chapter 6) x the Council’s affordable housing requirement (50%)”.

11.10 In this regard, the calculation is:

$$(1538.7 \times 20\%) / 75 = 4.10$$

$$(4.10 \times 60,000) \times 50\% = \text{£}123,000$$

11.11 While the financial viability (Appendix 4) demonstrates that the proposal could not viably make additional financial contributions (based on current day

values), the applicant has agreed to an upfront contribution of £60,000 towards the off-site provision of affordable housing. It is considered that a very minor improvement in office values would enable this contribution to be delivered without putting the deliverability of the scheme in jeopardy. The applicant has confirmed the deliverability of the scheme with this contribution in writing. This amount would be secured in the legal agreement, with a review clause also included in the legal agreement to test financial viability towards the end of the construction process to ascertain whether the outstanding amount can then be paid.

- 11.12 In summary, the land-use element of proposals is considered to be acceptable through delivering a quality office development that would increase and improve the existing office (B1a) floorspace on the site, provide a small workspace unit with the remainder of the office floorspace capable of being flexibly divided for medium enterprises. Finally, the application would contribute financially towards the Council's delivery of affordable housing on Council-owned sites, and secure an employment and training contribution of £12,926.

Demolition of Buildings within a Conservation Area

- 11.13 On the 1st October 2013, the Government brought in (under various legislature made under the Enterprise and Regulatory Reform Act 2013 (ERRA)), the removal of Conservation Area Consent requirements.
- 11.14 This legislation abolishes the need for conservation area consent where a full planning permission application is made under the Town and Country Planning Act 1990 and consequently the demolition of unlisted buildings in conservation areas will no longer be permitted development under Part 31 of the GDPO (General Permitted Development Order). Notwithstanding this, Development Management Policy DM2.3 and Islington Core Strategy Policy CS9 resist any harm to the significance of a conservation area unless there is a clear and convincing justification. As such, substantial harm to the significance of a conservation area will be strongly resisted.
- 11.15 The St Luke's Conservation Area includes the front part of the building and while the frontage building is proposed to be retained, a small section of the rear part to be demolished is within the Conservation Area. Notwithstanding the above, the rear part to be demolished is not significant in size and is not considered to contribute positively to the character and appearance of the St Luke's Green Conservation Area. Its demolition is therefore supported in principle subject to a satisfactory replacement building of a sensitive scale and design.
- 11.16 It is not considered therefore, given the lack of visibility of the rear part of this building that a condition requiring a contract for the construction of the replacement extension, prior to demolition commencing is necessary in this instance.

Design, Conservation and Heritage Considerations

- 11.17 The National Planning Policy Framework states that the Government attaches great importance to the design of the built environment and that good design is a key aspect of sustainable development.
- 11.18 The London Plan (2015) Policy 7.6 expects architecture to make a positive contribution to a coherent public realm, streetscape and wider cityspace. It should incorporate the highest quality materials and design appropriate to its context. Moreover, buildings and structures should be of the highest architectural quality, be of a proportion, composition, scale and orientation that enhances, activates and appropriately defines the public realm and comprise details and materials that complement, not necessarily replicate, the local architecture.
- 11.19 Islington's Core Strategy Policy CS7 identifies the Bunhill and Clerkenwell area as having a rich character and significant historic value. Throughout Bunhill and Clerkenwell, a number of buildings, monuments, spaces and townscape attributes contribute positively to its character. Policy CS9 states that high quality architecture and urban design are key to enhancing and protecting Islington's built environment, making it safer and more inclusive. The borough's unique character will be protected by preserving the historic urban fabric and by promoting traditional street patterns in new developments. The aim is for new buildings to be sympathetic in scale and appearance and to be complementary to the local identity. Finsbury Local Plan Policy BC3 moreover requires buildings to relate positively to each other, improve the character, quality and identity of the area and conserve and enhance heritage assets.
- 11.20 Finally, Islington's Development Management Policy DM2.1 requires all forms of development to be of a high quality, incorporating inclusive design principles while making positive contributions to the local character and distinctiveness of an area, based upon an understanding and evaluation of its defining characteristics. All new developments are required to improve the quality, clarity and sense of space around or between buildings, reinforce and complement local distinctiveness and create a positive sense of place.
- 11.21 The site is located within the St Luke's Conservation Area and thus the site and its context needs to be treated sensitively in terms of heritage assets and local views in line with Policy DM2.3. The development proposals have been formulated through detailed pre-application discussions. In terms of scale, massing and height, any development proposal would need to have regard to the prevailing building heights in the immediate surroundings. Old Street is characterised by a variety of historic, Victorian and more modern buildings of varying heights and scale. While buildings in the vicinity range from two to seven storeys in height, the site's immediate neighbours, at between 3 and 5 storeys, are very similar in height to the subject building.
- 11.22 A number of views of the application site have been tested, in particular from points along Old Street as well as St Luke's Close adjacent to the grade II St Luke's Church, in order to inform the height of any proposed building. It was also determined that the building's attractive front façade and the existing parapet should be retained in its current form. Set back behind the parapet by 3.5 metres, the application proposes a brick façade roof extension with frameless glazing. On top of this, a fourth floor extension is proposed which

would be set back from the frontage by a further 7 metres and designed with protruding brick detail and recessed “blind windows” to add texture and depth. The part single, part two-storey extension at roof level set behind the parapet maintains the front façade and is considered a good architectural response to the site context.

- 11.23 The removal of the subdivision to the shop front is not acceptable. A more appropriate response for the ground floor frontage would be for a traditionally proportioned shopfront, which should be framed and legible as a shopfront. A stall riser, fascia, transoms and mullions should be incorporated, with a bit more horizontal subdivision to address the height. The details of the shopfront would be agreed as part of condition 4 to ensure that the best solution is agreed.
- 11.24 In terms of the upper storeys, a convincing heritage argument has been put forward for the use of Crittal windows on the front elevation. The windows originally used on the building could have been timber sash or Crittal as the first Crittal steel windows were manufactured in 1884, which coincides with the late 19th century remodelling of the host building and would have been more appropriate for the building’s historical use as a workshop/yard/factory. The cue could also be taken from the wider street elevation and the Conservation Area for a contextual response. The use of Crittal windows would be historically accurate and is considered to result in an attractive appearance.



Proposed front elevation

- 11.25 The main impact of the proposal is to the rear where the facades of the rear building are replaced and two additional stories are proposed across the entire width and length of the building. While a significant amount of the existing building to the rear would be retained, the façade of the building would be replaced with a new brick façade, a glazed curtain wall system and recessed powder coated “critical style” windows to match the existing. The existing void within the building would be infilled and even floorplates would be provided throughout, providing level access across the building from the front to the rear.



Existing rear / side elevation

- 11.26 As originally shown, the brick had an undertone of grey which is not suitable in the location proposed. The brick made the design heavy and in an enclosed backland space this is inappropriate. The brick now agreed upon is a lighter brick with a variety of tones including darker tones as well as lighter and pinkish tones so as to provide a lightness to the design. The grey Crittal windows currently shown underline the 'heaviness' of design. The Crittal should be a low gloss finish so as to partially reproduce the warehouse feel of the original building. These material details would be suitably conditioned (condition 3) so ensure a successful design.



Proposed rear / side elevation

- 11.27 The proposal is considered to significantly improve the design and appearance of the side elevation providing a simplified yet high quality finish. The use of a

glazed curtain wall system is considered to break up the facades and provides a visual separation between the fronts and rear of the building.

- 11.28 The proposal is considered to be of a high quality in terms of architecture and urban design. The concerns of the DRP have been addressed by creating the visual separation between frontage building and the rear. The applicant has provided a robust justification for the use of Crittal windows and the proposal now retains the existing chimney stack. As such, the application is considered to reinforce the borough's unique character by adopting traditional and contextual materials and articulation. In this respect, the application is considered to be in accordance with London Plan Policy 7.6, Islington Core Strategy Policy CS7, Finsbury Local Plan BC3 and Islington's Development Management Policy DM2.1 and DM2.3.

Neighbouring Amenity

- 11.29 All new developments are subject to an assessment of their impact on neighbouring amenity in terms of loss of daylight, sunlight, privacy and an increased sense of enclosure. A development's likely impact in terms of air quality, dust, safety, security, noise and disturbance is also assessed. In this regard, the proposal is subject to London Plan Policy 7.14 and 7.15 as well as Development Management Policies DM2.1 and DM6.1 which require all developments to be safe and inclusive and to maintain a good level of amenity, mitigating impacts such as noise and air quality.
- 11.30 Moreover, London Plan Policy 7.6 requires for buildings in residential environments to pay particular attention to privacy, amenity and overshadowing. In general, for assessing the sunlight and daylight impact of new development on existing buildings, Building Research Establishment (BRE) criteria is adopted. In accordance with both local and national policies, consideration has to be given to the context of the site, the more efficient and effective use of valuable urban land and the degree of material impact on neighbours.
- 11.31 The application has been submitted with a sunlight and daylight assessment. The assessment is carried out with reference to the 2011 Building Research Establishment (BRE) guidelines which are accepted as the relevant guidance. The supporting text to Policy DM2.1 identifies that the BRE 'provides guidance on sunlight layout planning to achieve good sun lighting and day lighting'.
- 11.32 Daylight: the BRE Guidelines stipulate that there should be no real noticeable loss of daylight provided that either:

The Vertical Sky Component (VSC) as measured at the centre point of a window is greater than 27%; or the VSC is not reduced by greater than 20% of its original value. (Skylight);

And

The daylight distribution, as measured by the No Sky Line (NSL) test where the percentage of floor area receiving light is measured, is not reduced by greater than 20% of its original value.

- 11.33 It should be noted that whilst the BRE guidelines suggest a 20% reduction in NSL would represent an unacceptable loss of daylight, it is commonly held that losses in excess of 50% NSL are not acceptable and should be avoided even in dense urban areas unless where this is unavoidable within an appropriate townscape response.
- 11.34 Sunlight: In terms of sunlight, a window may be adversely affected by a new development if a point at the centre of the window receives in the year less than 25% of the annual probable sunlight hours including at least 5% of annual probable sunlight hours during the winter months and less than 0.8 times its former sunlight hours during either period. It should be noted that BRE guidance advises that sunlight is only an issue to a neighbouring property where the new development is located within 90 degrees of due south.
- 11.35 The most affected properties in terms of daylight and sunlight are those closest to the subject site.
- 11.36 104-110 Old Street One of the windows at second floor level on the rear elevation of this property would experience a 39% loss of daylight (as measured by VSC) as a result of the development, while a further two windows at third floor level would experience losses of between 24% and 34%.
- 11.37 In terms of Daylight Distribution, all of the windows within this building would retain at least 80% of their former value and thus the daylight impacts on the dwellings within this property are considered to be acceptable.
- 11.38 In terms of sunlight, all of the windows within this building which front the development have been tested. All of the windows within the building would either continue to receive 25% of annual probable sunlight hours or retain 80% of their former value.
- 11.39 118 Old Street and 120 Old Street, two properties with commercial uses at ground floor level and residential above. The resulting VSC daylight losses experienced by the windows serving habitable rooms in these properties range from 21% to 0% of their former value following the proposed development, being either fully BRE compliant or involving a marginal loss above BRE guidance.
- 11.40 In terms of Daylight Distribution, a third floor bedroom window would experience losses of 48% which constitutes a noticeable loss of daylight. While this would be a regrettable impact, this kind of reduction is not unusual for a dense urban location such as this.
- 11.41 The room experiencing the greatest loss in terms of daylight distribution (referred to above) would retain 80% of its annual probable sunlight hours, which is welcome. On the other hand, two of the windows at first and second floor level of 120 Old Street would experience losses of between 21% and 25% of annual probable sunlight hours. While these are considered to be noticeable losses, they are only marginally above being fully BRE compliant and thus the impacts are not considered significant enough to warrant refusal on this basis.
- 11.42 Canto Court, No 122 Old Street, which is a student accommodation development. While the losses of daylight (VSC) suffered by some of the windows are beyond those stipulated by the BRE guidance, the only windows

with noticeable losses, i.e. above 20% losses of daylight, serve corridors or bathrooms rather than habitable rooms. In terms of sunlight and daylight distribution, the only windows experiencing noticeable losses serve non-habitable accommodation.

- 11.43 No other neighbouring residential properties would be noticeably affected in terms of loss of sunlight. Again, the design of the proposed building, particularly the set-back top floors and the tiered rear elevation, would protect the amenities of neighbouring residential properties.
- 11.44 Overlooking / Privacy – Policy DM2.1 identifies that *‘to protect privacy for residential developments and existing residential properties, there should be a minimum distance of 18 metres between windows of habitable rooms. This does not apply across the public highway, overlooking across a public highway does not constitute an unacceptable loss of privacy’*. In the application of this policy, consideration has to be given also to the nature of views between habitable rooms. For instance where the views between habitable rooms are oblique as a result of angles or height difference between windows, there may be no harm. Habitable rooms provide the living accommodation of the dwelling. Habitable rooms are defined as any room used or intended to be used for sleeping, cooking, living or eating purposes. Enclosed spaces such as bath or toilet facilities, service rooms, corridors, laundries, hallways, or similar spaces are excluded from this definition. However, service/utility/store rooms larger than 8sqm within single dwellings will normally be considered as habitable rooms.
- 11.45 Given the orientation of existing buildings and windows in the vicinity of the site and the built form and windows proposed on site, the proposal is not considered to lead to infringements in privacy. The only windows proposed within 18 metres of existing windows of neighbouring properties are at such oblique angles so as to prevent any additional opportunities for overlooking.
- 11.46 Sense of enclosure: The proposal is considered to affect the outlook of neighbouring properties, in particular those within 118 and 120 Old Street as well as 104-110 Old Street (Royley House). The top floor flats within Royley House currently have an outlook over the roof top plant of the application building and onto the student accommodation of Canto Court. The development proposal, particularly the third and floor extensions would impede this outlook. However, the windows of Royley House would maintain an unimpeded southerly and south-westerly outlook over the existing car park.
- 11.47 The rear windows of properties within 118 and 120 Old Street already suffer from an enclosed outlook as they look onto a lightwell formed by a number of surrounding buildings. The proposal has been set back from this side boundary at third and fourth floor in order to lessen its impact on these neighbouring properties and while the proposal is considered to result in a further increased sense of enclosure, the impact is likely to be minimal. The feeling of enclosure experienced by neighbouring properties is not considered to be significant nor unusual for a central London location.
- 11.48 Noise: In terms of noise, a noise survey was carried out at the site between the 17th and 22nd June 2015 to assess existing noise levels in the area. It was determined that the average noise levels across the site were generally

dictated by road traffic on Old Street, general activity in the vicinity of the site and some existing mechanical services equipment.

- 11.49 The potential noise from mechanical plant on the proposed building was identified as one of the main sources of noise during the operational phase of development. There is mechanical plant proposed at roof level. In order to mitigate any noise impacts from plant, permission would be subject to conditions (condition 17) regulating noise transfer so that noise is kept to below existing background noise levels.
- 11.50 Subject to appropriate conditions relating to plant noise, the proposal is not considered to have a significant detrimental impact on neighbouring residential amenity in terms of noise and disturbance, sunlight, daylight, privacy or an increased sense of enclosure. The application is thus considered to be in accordance with London Plan Policies 7.6, 7.14 and 7.15 as well as Development Management Policies DM2.1 and DM6.1.

Accessibility

- 11.51 The relevant policies are 7.2 of the London Plan 2015 and Development Management Policy DM2.2, which seeks inclusive, accessible and flexibly designed accommodation throughout the borough. The London Plan Policy requires all new development in London to achieve the highest standards of accessible and inclusive design, by ensuring that developments: (i) can be used safely, easily and with dignity by all members of society; (ii) are welcoming and convenient with no disabling barriers, (iii) are flexible and responsive to peoples' needs and (iv) are realistic, offering more than one solution to future users.
- 11.52 Islington's Development Management Policies require all developments to demonstrate that they provide for ease of and versatility in use; that they deliver safe, legible and logical environments and produce places and spaces that are convenient and enjoyable to use for everyone. Any development needs to be assessed against this policy background to ensure that they are genuinely inclusive from the outset and remain so for the lifetime of the development.
- 11.53 In accordance with policy, level access is provided throughout. The entrance lobby is accessed via a ramp up from street level with a gradient of no greater than 1:15. Accessible WC and bathroom facilities are provided on all levels and an accessible shower/WC is provided at basement level. Further detail shall be provided on the accessibility of the cycle storage and charging facilities for mobility scooters as well as on the travel and transport facilities available to mobility impaired building users. These details would be required by condition (condition 14) in the event of permission being granted. Contributions towards the provision of accessible parking bays in the vicinity of the site would also be required as part of the section 106 agreement.
- 11.54 Subject to relevant conditions (*condition 12 & 14*), including further details on cycle storage facilities and fire escapes, the proposal is considered to meet the Council's inclusive design objectives in accordance with London Plan Policy 7.2 and Islington's Development Management Policies DM2.1 and 2.2.

Energy and Sustainability

- 11.55 The London Plan (adopted July 2015) Policy 5.1 stipulates a London-wide reduction of carbon emissions of 60 per cent by 2025. Policy 5.2 of the plan requires all development proposals to contribute towards climate change mitigation by minimising carbon dioxide emissions through energy efficient design, the use of less energy and the incorporation of renewable energy. London Plan Policy 5.5 sets strategic targets for new developments to connect to localised and decentralised energy systems, while Policy 5.6 requires developments to evaluate the feasibility of Combined Heat and Power (CHP) systems.
- 11.56 Islington's Core Strategy Policy CS10 'Sustainable Design' requires all developments to minimise on-site carbon dioxide emissions and sets an overall target for all development to achieve a 40% reduction in total CO2 emissions in comparison with total emissions from a building that complies with Building Regulations 2006 (or a 27% reduction compared to a Building Regulations 2013 compliant building), unless it can be demonstrated that such a target is not feasible. The London Plan sets out a CO2 reduction target, for regulated emissions only, of 35% against Building Regulations 2013.
- 11.57 The submitted Energy Strategy proposes a reduction in carbon emissions, based on regulated emissions, of 35% against a Building Regulations 2013 compliant building. This is in accordance with the London Plan target. Whilst the proposed total reduction in carbon emissions (regulated and unregulated) of 18% compared to a Building Regulations 2013 compliant building fails to meet the Islington target of 27%, the obvious constraints of working with the existing building render this acceptable. The applicant has maximised the amount of solar PVs at roof level as well as the energy efficiency of the building. Whilst a CHP has not been proposed for the development, the building would be future-proofed to ensure future connection in the event that the District Heat Network extends to this part of Old Street.
- 11.58 In accordance with the Council's Zero Carbon Policy, the council's Environmental Design SPD states "after minimising CO2 emissions onsite, developments are required to offset all remaining CO2 emissions (Policy CS10) through a financial contribution". The Environmental Design SPD states "The calculation of the amount of CO2 to be offset, and the resulting financial contribution, shall be specified in the submitted Energy Statement." The energy statement shows final total CO2 emissions of 100.7 tonnes.
- 11.59 Based on this and the current Islington rate of £920 / tonne, the development will be subject to an offset payment of £96,628. The applicant has submitted a viability appraisal which confirms that the development cannot viably afford this contribution. The viability appraisal has been independently assessed and the assumptions and conclusions within it have been agreed. While it is unfortunate that contributions towards carbon offsetting cannot be achieved in this instance, the proposed development would significantly improve the building's energy efficiency and reduce carbon emissions in the long-term. A section 106 review clause is recommended to review viability at the end of the construction process to

ascertain whether office values have improved to the degree that this and other contributions can then be afforded.

- 11.60 Development Management Policy DM7.4 requires the achievement of BREEAM 'Excellent' on all non-residential major development. Major developments are also required to comply with Islington's Code of Practice for Construction Sites and to achieve relevant water efficiency targets as set out in the BREEAM standards. The applicants have committed to provide a BREEAM 'Excellent' building and this would be secured by condition. All of the other energy efficiency and carbon reduction measures are contained within the applicant's Sustainable Design and Construction Statement and would be secured by condition. The development would be required to provide a green roof as well as bird/bat boxes. These measures would be secured by condition.
- 11.61 Subject to appropriate conditions, the energy and sustainability measures proposed as part of this application are considered to meet the environmental objectives of the Council in accordance with London Plan Policies 5.1, 5.2 and 5.5, Islington Core Strategy Policy CS10, Development Management Policy DM7.1 as well as the aims and objectives of Islington's Environmental Design SPD.

Highways and Transportation

- 11.62 The application site is in a central London location, with very good links to public transport and a Public Transport Accessibility Level of 6b, the highest rating. The site is located on the southern side of Old Street, a road with a mixture of uses including office, commercial and residential uses. Old Street and the surrounding side roads are all part of a controlled parking zone (Zone C). There are two bus stops within 100 metres of the site providing access to four bus services. Moreover, it is only a short walking distance to Old Street Station along Old Street where London Underground Northern Line services and a range of bus services.
- 11.63 Bus lanes operate between 7am to 10am and 4pm to 7pm on both sides of Old Street in the vicinity of the site on weekdays and on Saturdays between 8am and 10.30pm. Furthermore, there are "no waiting" restrictions in the form of double yellow lines that are in force outside of the bus lane operational restrictions. Old Street serves as an important east-west route at the southern end of the Borough with Bus Lanes running both north and southbound in both directions. The road is part of the TfL Priority Network (Red Route).
- 11.64 The site is in close proximity to a local network of cycle routes and a number of London-wide cycle initiatives. At present there are no cycle parking facilities at the site, though there are several easily accessible cycle hire stations located at Central Street, Golden Lane and Bath Street all with cycles available for hire.
- 11.65 London Plan Policy 6.3 states that proposals should ensure that impacts on transport capacity and the transport network are fully assessed. Moreover Policies 6.9 and 6.10 state that the Mayor will work with all relevant partners to bring about a significant increase in cycling as well as walking across London.

- 11.66 Development Management Policy DM8.1 requires the design of developments to prioritise the transport needs of pedestrians, public transport users and cyclists above those of motor vehicles. Policy DM8.2 requires development to meet its own transport needs in a sustainable manner, while Policy DM8.5 states that vehicle parking will only be allowed for non-residential developments where it is essential for the operation of the business and need has been demonstrated.
- 11.67 The site's high PTAL rating means that those travelling to and from the site are expected to use sustainable modes of transport. As such, the proposed development would be car-free which is supported by policy. The site is very well served by the existing cycle route infrastructure surrounding the site and secure cycle parking for 43 cycles will be provided in the form of a secure cycle storage area in the basement. Access to the basement is via a lift and the basement is also configured to provide changing room, locker and shower facilities for cyclists. This provision is in accordance with policy and would provide a sufficient level of alternative sustainable modes of transport. In addition to this, a dedicated area for mobility scooters would be provided (condition 12)

Servicing & Refuse:

- 11.68 Deliveries by suppliers (excluding refuse collection) are estimated to be around 6 per working day and from experience of other similar developments we do not expect them to be significant in number. All servicing will take place from the Old Street frontage as it currently happens with the existing B1 use and outside of the operational hours of the passing Bus Lane. The submission and approval of a final Service and Delivery Management Plan would be required by legal agreement to ensure servicing and delivery is successfully managed. Further details of refuse / recycling storage arrangements would also be required by condition (condition 11).
- 11.69 The proposal is not considered to give rise to any unacceptable impacts on transportation or the highway network and is considered to be acceptable, in accordance with relevant Islington Core Strategy Policy CS10 and Development Management Policies DM8.2 and DM8.6 subject to conditions and clauses within the s106 legal agreement.

Planning Obligations, Community Infrastructure Levy and local finance considerations

- 11.70 Islington's CIL Regulation 123 infrastructure list specifically excludes measures that are required in order to mitigate the direct impacts of a particular development. This means that the measures required to mitigate the negative impacts of this development in terms of carbon emissions, lack of accessible parking spaces or site-specific employment and training among others cannot be funded through Islington's CIL. Separate contributions are therefore needed to pay for the necessary affordable housing, accessible transport and highway reinstatement to ensure that the development does not cause unacceptable impacts on the local area.
- 11.71 Islington's CIL has been calculated to be £139,089.54 and the Mayoral CIL has been calculated to be £93,168.16 (subject to formal submission in

accordance with CIL Regulations). These contributions have been factored into the costs of delivering this development and were factored into the applicant's viability assessment.

11.72 In terms of the s106 financial contributions that are sought, none of the financial contributions included in the heads of terms represent general infrastructure that were included in the CIL calculations, so the pooling limit does not apply. Furthermore, none of the contributions represent items for which five or more previous contributions have been secured.

11.73 Financial Viability Assessment: Whilst the applicant has successfully demonstrated through their submission of a viability appraisal that they cannot viably afford financial contributions towards carbon offsetting, the Crossrail contribution or the full amount towards off-site affordable housing, the legal agreement would include a review mechanism which would require the viability to be reviewed at the end of the construction process to ascertain whether office values have improved to the degree that these contributions can then be afforded. The Council has had the applicant's viability assessment independently reviewed by BPS and a copy of the BPS report is appended (**Appendix 4**).

11.74 Note that the applicant was offered the opportunity to identify what parts of the BPS report they would like to see redacted but did not reply prior to the publication of the Committee agenda and for this reason that report is not redacted. The applicant has offered to pay £60,000 towards off-site affordable housing confirming by letter that they view the likelihood of office market improvements to be likely and therefore that the scheme is deliverable with this additional level of contribution.

11.75 The accessible transport contribution is a site-specific obligation with the purpose of mitigating the negative impacts of this specific development. Furthermore, in the event that policy compliant on-site accessible car parking spaces had been provided by the development (or other accessibility measure) a financial contribution would not have been sought. Therefore this is also a site-specific contribution required in order to address a weakness of the development proposal, thus also not forming a tariff-style payment.

11.76 The highway and footway reinstatement requirement is also very clearly site-specific. The total cost will depend on the damage caused by construction of this development, and these works cannot be funded through CIL receipts as the impacts are directly related to this specific development.

11.77 None of these contributions were included in Islington's proposed CIL during viability testing, and all of the contributions were considered during public examination on the CIL as separate charges that would be required in cases where relevant impacts would result from proposed developments. The CIL Examiner did not consider that these types of separate charges in addition to Islington's proposed CIL rates would result in unacceptable impacts on development in Islington due to cumulative viability implications or any other issue.

12. SUMMARY AND CONCLUSION

Summary

12.1 A summary of this report is provided at paragraphs 4.1 to 4.7.

Conclusion

12.2 It is recommended that planning permission be granted subject to conditions and s106 legal agreement heads of terms for the as set out in Appendix 1 - RECOMMENDATIONS.

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:

1. The repair and re-instatement of the footways and highways adjoining the development. The cost is to be confirmed by LBI Highways, paid for by the applicant and the work carried out by LBI Highways. Condition surveys may be required.
2. Compliance with the Code of Employment and Training.
3. Facilitation of 1 work placement during the construction phase of the development. Each placement must last a minimum of 26 weeks.
4. Compliance with the Code of Local Procurement.
5. Compliance with the Code of Construction Practice, including a monitoring fee of £1,539.
6. The provision of 3 accessible parking bays or a contribution of £6,000 towards bays or other accessible transport initiatives.
7. Connection to a local energy network, if technically and economically viable (burden of proof will be with the developer to show inability to connect).
8. Submission of a Green Performance Plan.
9. Outstanding CO2 off-set contribution of £96,628 following the end of construction process viability review (in the event that this can be covered).
10. Submission of a draft framework Travel Plan with the planning application, of a draft full Travel Plan for Council approval prior to occupation, and of a full Travel Plan for Council approval 6 months from first occupation of the development or phase.
11. Payment towards employment and training for local residents of a commuted sum of £12,926.
12. The Crossrail contribution generated by this development comes to £215,418. The Crossrail amount is not added to the amount secured via the Mayoral CIL, therefore the final Mayoral CIL amount is deducted from the above figure. As a result of financial viability, the outstanding Crossrail amount (estimated to be £122,249.84 would be sought via and end of construction viability review).
13. A contribution towards provision of off-site affordable housing of £60,000. Note that the outstanding amount of £63,000 following a viability review will be sought.
14. Provision of 75sqm (NIA) of small workspace which shall be occupied by companies and organisations as per a nomination and approval mechanism to be agreed with the council. The unit shall achieve a basic, but good quality fit-out, which incorporates servicing to all areas of workspace; flexible internal arrangements that permit a number of different internal work areas to be accessed from shared spaces; good standards of internal sound insulation; a range of shared spaces and facilities, such as communal

- breakout space, kitchen areas, bike storage and goods lifts; and external space reserved for loading/unloading.
15. The submission of an agreed Servicing and Delivery Management Plan.
 16. A review mechanism to determine the viability of financial contributions at completion stage. The review mechanism is required to seek to secure the outstanding contributions that cannot currently be afforded.
 17. Council's legal fees in preparing the S106 and officer's fees for the preparation, monitoring and implementation of the S106.

All payments to the Council are to be index linked from the Committee Date and are due upon implementation of the planning permission.

The above list of Heads of Terms may be amended as a result of a process of internal consultation or further issues arising in the course of the application. Solicitors details will be needed, proof of title and an undertaking to meet the reasonable legal fees of the council.

That, should the **Section 106** Deed of Planning Obligation not be completed within 13 weeks from the date when the application was made valid, the Service Director, Planning and Development / Head of Service – Development Management or, in their absence, the Deputy Head of Service may refuse the application on the grounds that the proposed development, in the absence of a Deed of Planning Obligation is not acceptable in planning terms.

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 to the heads of terms as set out in this report to Committee.

RECOMMENDATION B

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

List of Conditions:

1	Commencement (Compliance)
	<p>CONDITION: The development hereby permitted shall be begun not later than the expiration of three years from the date of this permission.</p> <p>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).</p>
2	Approved plans list (compliance)
	<p>CONDITION: The development hereby approved shall be carried out in accordance with the following approved plans:</p>

	<p>Drawing Numbers 408-PA.01 Rev A; 408-PA.02; 408-PA.03; 408-PA.04; 408-PA.05; 408-PA.06; 408-PA.07 Rev A; 408-PA.08; 408-PA.09 Rev A; 408-PA.11 Rev A; 408-PA.12; 408-PA.14; 408-PA.15.</p> <p>Area Schedule by Gpad.</p> <p>Planning Statement dated October 2015;</p> <p>Design & Access Statement dated October 2015;</p> <p>Daylight & Sunlight report by BVP; additional / supplementary information dated 27th January 2016;</p> <p>Historic environment assessment by MOLA dated August 2015;</p> <p>Supporting Statement by Stephen Levrant dated January 2016;</p> <p>Delivery & Servicing Management Plan by TPC dated September 2015;</p> <p>Phase 1 Environmental Assessment dated August 2015;</p> <p>Noise Assessment Report by Philip Acoustics Ltd dated October 2015;</p> <p>Drainage Strategy report by GDC Consulting Engineers;</p> <p>Site Waste Management Plan by Delta-Simons dated August 2015;</p> <p>Construction Management Plan by RFM dated October 2015;</p> <p>Green Performance Plan by Metropolis Green dated October 2015;</p> <p>Transport Assessment by TPC dated September 2015;</p> <p>Travel Plan by TPC dated September 2015;</p> <p>Heritage Statement dated October 2015;</p> <p>Energy Strategy by Metropolis Green dated October 2015;</p> <p>Energy Strategy Addendum by Metropolis Green dated January 2016;</p> <p>Sustainable Design & Construction Statement by Metropolis Green dated October 2015;</p> <p>BREEAM UK New Construction 2014 Pre-assessment Estimator dated 4/9/2015;</p> <p>Thermal Comfort Report by Metropolis green dated January 2016;</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>
<p>3</p>	<p>Materials and Samples (Details)*</p> <p>CONDITION: Notwithstanding the plans and elevations hereby approved, details of facing materials including samples shall be submitted to and approved in writing by the Local Planning Authority prior to superstructure works commencing on site. The details and samples shall include:</p> <ul style="list-style-type: none"> a) solid brickwork (no brick slips), bond and mortar courses; b) metal cladding, panels, frames and architectural metalwork (including details of seams, gaps, and any profiling); c) windows and doors (including Crittal windows on front elevation); d) entrance and access gates; e) roofing materials; f) any other materials to be used on the exterior of the development; and g) a Green Procurement Plan for sourcing the proposed materials. <p>The Green Procurement Plan shall demonstrate how the procurement of materials for the development will promote sustainability, including through the use of low impact, sustainably-sourced, reused and recycled materials and the reuse of demolition waste.</p> <p>The development shall be carried out strictly in accordance with the details and</p>

	<p>samples so approved, shall be maintained as such thereafter and no change therefrom shall take place without the prior written consent of the Local Planning Authority.</p> <p>REASON: In the interests of securing sustainable development and to ensure that the resulting appearance and construction of the development is of a high standard.</p>
4	Shopfront (Details)
	<p>CONDITION: Notwithstanding the plans hereby approved, further details of the ground floor shopfront at scale 1:50 shall be submitted to and approved in writing by the Local Planning Authority prior to any superstructure works commencing on site.</p> <p>The shopfronts shall be carried out strictly in accordance with the elevations so approved, shall be maintained as such thereafter and no change there from shall take place without the prior written consent of the Local Planning Authority.</p> <p>REASON: To ensure that the resulting appearance and construction of the development is to a high standard. The removal of the subdivision to the shop front is not acceptable. A more appropriate response for the ground floor frontage would be for a traditionally proportioned shopfront, which should be framed and legible as a shopfront. A stall riser, fascia, transoms and mullions should be incorporated, with a bit more horizontal subdivision to address the height.</p>
5	External pipes, cables and CCTV (Compliance/Details)
	<p>CONDITION: No cables, plumbing, down pipes, rainwater pipes, foul pipes or CCTV cameras or related equipment and installations shall be located/fixed to any elevation(s) of the buildings hereby approved.</p> <p>Should additional cables, pipes be considered necessary the details of these shall be submitted to and approved in writing by the Local Planning Authority prior to their installation.</p> <p>REASON: To ensure that the resulting appearance and construction of the development is to a high standard.</p>
6	Landscaping (Details)*
	<p>CONDITION: Notwithstanding the plans hereby approved, details of the treatment of all parts on the site not covered by buildings shall be submitted to and approved in writing by the Local Planning Authority prior to superstructure works commencing on site. The site shall be landscaped strictly in accordance with the approved details in the first planting season after completion or first occupation of the development, whichever is the sooner. Details shall include:</p> <ul style="list-style-type: none"> a) a schedule detailing sizes, species and numbers of all new trees/plants; b) a biodiversity statement detailing how the landscaping scheme maximizes biodiversity; c) existing and proposed underground services and their relationship to both hard and soft landscaping; d) soft plantings: including grass and turf areas, shrub and herbaceous areas;

	<p>e) topographical survey: including earthworks, ground finishes, top soiling with both conserved and imported topsoil(s), levels, drainage and fall in drain types;</p> <p>f) enclosures: including types, dimensions and treatments of walls, fences, screen walls, barriers, rails, retaining walls and hedges;</p> <p>g) hard landscaping: including ground surfaces, kerbs, edges, ridge and flexible pavings, unit paving, furniture, steps and if applicable synthetic surfaces; and</p> <p>h) any other landscaping feature(s) forming part of the scheme.</p> <p>All landscaping in accordance with the approved scheme shall be completed during the first planting season after the date on which development in accordance with this permission has been completed. This landscaping and tree planting must have a two year maintenance/ watering provision following planting. Trees or shrubs which die within five years of completion of the development shall be replaced to the satisfaction of the Local Planning Authority with the same species or an approved alternative.</p> <p>REASON: To ensure prior establishment and maturity of landscaping to enhance the visual amenity of the site. To avoid inappropriate excavations and damage to the trees, ensuring that disturbance to the roots of the tree is minimised and to maintain a healthy rooting area to ensure the long term health of the tree thereby its contribution to the amenity of the locality. In the interest of biodiversity, sustainability, and to ensure that a satisfactory standard of visual amenity is provided and maintained in accordance with policies: 5.10, 7.19 and 7.21 of the London Plan 2015, policies: CS7, CS15A, B and F of the Islington Core Strategy 2011 and 6.5 of the DM policy 2013.</p>
7	BREEAM
	<p>CONDITION: The development shall achieve a BREEAM New Construction rating (2011) of no less than 'Excellent'.</p> <p>REASON: In the interest of addressing climate change and to secure sustainable development.</p>
8	Green/Brown Biodiversity Roofs (Compliance/Details)*
	<p>CONDITION: Notwithstanding the plans hereby approved, details of green/living roofs to the development hereby approved (illustrating increased coverage and potential for run-off attenuation or including details and justification of the maximum extent of green/living roofs) and the species to be planted/seeded shall be submitted to and approved in writing by the Local Planning Authority prior to any superstructure works commencing. The green/living roofs shall:</p> <p>a) form biodiversity-based roofs with extensive substrate bases (depth 80-150mm);</p> <p>b) cover the roof areas shown in the drawings hereby approved, confirmed by a location/extent plan; and</p> <p>c) be planted/seeded with an agreed mix of species within the first planting season following the practical completion of the building works.</p> <p>An explanation as to why any areas of roof would not be covered with green/living roofs shall be included with the above details.</p>

	<p>Green/living roofs shall be expected to extend beneath any photovoltaic arrays proposed at roof level.</p> <p>The green/living roofs shall not be used as an amenity or sitting out space of any kind whatsoever and shall only be used in the case of essential maintenance or repair, or escape in case of emergency.</p> <p>The development shall be carried out strictly in accordance with the details so approved, shall be maintained as such thereafter, and no change therefrom shall take place without the prior written consent of the Local Planning Authority.</p> <p>REASON: To ensure the development provides the maximum possible provision towards creation of habitats and valuable areas for biodiversity.</p>
9	<p>Sustainable Urban Drainage (Details)*</p>
	<p>CONDITION: Details of a drainage strategy for a sustainable urban drainage system shall be submitted to and approved in writing by the Local Planning Authority prior to any superstructure works commencing on site. The details shall be based on an assessment of the potential for disposing of surface water by means of appropriate sustainable drainage systems and be designed to maximise water quality, amenity and biodiversity benefits. The submitted details shall include the scheme's peak runoff rate and storage volume and demonstrate how the scheme will aim to achieve a greenfield run off rate (8L/sec/ha) and at minimum achieve a post development run off rate of 50L/ha/sec.</p> <p>The drainage system shall be installed/operational prior to the first occupation of the development.</p> <p>The development shall be carried out strictly in accordance with the details so approved and shall be maintained as such thereafter.</p> <p>REASON: To ensure the development achieves appropriate surface water run-off rates and rainwater recycling in accordance with DM Policy 6.6 and the Environmental Design SPD.</p>
10	<p>Energy Efficiency – CO2 Reduction (Compliance/Details)</p>
	<p>CONDITION: The energy measures as outlined within the approved Energy Strategy shall together provide for no less than a 35% (regulated) / 18% (total) on-site total CO2 emissions reduction in comparison with total emissions from a building which complies with Building Regulations 2013.</p> <p>Should, following further assessment, the approved energy measures be found to be no longer suitable, a revised Energy Strategy shall be submitted to and approved in writing by the Local Planning Authority prior to any superstructure works commencing on site. The revised energy strategy shall provide for no less than a 35% (regulated) on-site total CO2 reduction in comparison with total emissions from a building which complies with Building Regulations 2013.</p> <p>The final agreed scheme shall be installed and operational prior to the first occupation of the development.</p> <p>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 sustainable development and to ensure that the Local Planning Authority may be satisfied that the C02 emission reduction targets are met.</p>
11	<p>REFUSE / RECYCLING (Details)*</p> <p>CONDITION: Prior to the implementation of the development hereby approved, a plan showing the dedicated refuse / recycling storage area shall be submitted and approved in writing by the Local Planning Authority. The refuse / recycling area shall be maintained as such thereafter.</p> <p>The refuse and recycling enclosures and waste shall be managed and carried out at all times in accordance with the details of the approved 'Delivery and Servicing Management Plan'.</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.</p>
12	<p>Cycle Parking (Compliance)</p> <p>CONDITION: The bicycle storage area hereby approved shall be covered, secure and provide for no less than 43 cycle spaces for the office use hereby approved.</p> <p>These spaces shall be provided prior to the first occupation of the relevant part of the development hereby approved and maintained as such thereafter.</p> <p>REASON: To ensure adequate cycle parking is available and easily accessible on site and to promote sustainable modes of transport.</p>
13	<p>Loading / unloading hours (Compliance)</p> <p>CONDITION: Deliveries, collections, unloading, loading of the commercial uses shall only be between the following hours:</p> <p style="padding-left: 40px;">Monday to Saturday – 10:00 - 16:00 Sundays/Bank Holidays - not at all</p> <p>REASON: To ensure that the development does not have an undue adverse impact on nearby residential amenity or business operations.</p>
14	<p>Inclusive Design (Details)*</p> <p>CONDITION: The development shall be designed in accordance with the principles of Inclusive Design. To achieve this, the following further details shall be submitted and approved in writing by the Local Planning Authority prior to works commencing on site:</p> <ul style="list-style-type: none"> - details of wheelchair accessible WC and shower facilities; - location and details of mobility scooter storage and charging facilities; - further details of fire evacuation lifts. - ramp details 1:15 gradient. <p>The development shall be constructed carried out strictly in accordance with the</p>

	<p>details so approved, shall be maintained as such thereafter.</p> <p>REASON: In order to facilitate and promote inclusive and sustainable communities.</p>
15	Security & General Lighting (Details)*
	<p>CONDITION: Details of any external general or security lighting (including full specification of all luminaries, lamps and support structures) shall be submitted to and approved in writing by the Local Planning Authority prior to superstructure works commencing on the site.</p> <p>The details shall be installed and operational prior to the first occupation of the development hereby approved and maintained as such permanently thereafter.</p> <p>REASON: In the interest of protecting neighbouring and future residential amenity and existing and future habitats from undue light-spill.</p>
16	Nesting Boxes (Details)
	<p>CONDITION: At least two nesting boxes / bricks for birds or bats shall be provided within the development, installed prior to the first occupation of the building and shall be maintained as such thereafter.</p> <p>REASON: To ensure the development provides the maximum possible provision towards creation of habitats and valuable areas for biodiversity.</p>
17	Plant noise (Compliance)
	<p>CONDITION: The design and installation of new items of fixed plant shall be such that when operating the cumulative noise level LAeq Tr arising from the proposed plant, measured or predicted at 1m from the facade of the nearest noise sensitive premises, shall be a rating level of at least 5dB(A) below the background noise level LAF90 Tbg. The measurement and/or prediction of the noise should be carried out in accordance with the methodology contained within BS 4142: 2014.</p> <p>REASON: To ensure that the development does not have an undue adverse impact on nearby residential amenity or business operations.</p>
18	Construction Management (Details)*
	<p>CONDITION: A Construction Environmental Management Plan assessing the environmental impacts (including (but not limited to) noise, air quality including dust, smoke and odour, vibration and TV reception) of the development shall be submitted to and approved in writing by the Local Planning Authority prior to any works commencing on site.</p> <p>The report shall assess impacts during the construction phase of the development on nearby residents and other occupiers together with means of mitigating any identified impacts. 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 the interests of residential amenity, highway safety and the free flow of traffic on streets.</p>

19	Roof-Level Structures (Details)
	<p>CONDITION: Details of any roof-level structures (including lift over-runs, flues/extracts, plant, photovoltaic panels and window cleaning apparatus) shall be submitted to and approved in writing by the Local Planning Authority prior to any superstructure works commencing.</p> <p>The details shall include a justification for the height and size of the roof-level structures, their location, height above roof level, specifications and cladding.</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. No roof-level structures shall be installed other than those approved.</p> <p>REASON: In the interests of good design and also to ensure that the Local Planning Authority may be satisfied that any roof-level structures do not have a harmful impact on the surrounding area.</p>
20	Lifts (Compliance)
	<p>CONDITION: All lifts hereby approved shall be installed and operational prior to the first occupation of the office floorspace hereby approved.</p> <p>REASON: To ensure that inclusive and accessible routes are provided throughout the office floorspace at all floors and also accessible routes through the site are provided to ensure no one is excluded from full use and enjoyment of the site.</p>
21	Plant (Details)*
	<p>CONDITION: Prior to the hereby approved plant equipment being used, a timer shall be installed limiting the operation of the plant to between the hours of 07:00 to 19:00 Monday to Friday only. The plant shall not be operated outside of these hours. The timer shall be maintained as such thereafter.</p> <p>REASON: To ensure that the development does not have an undue adverse impact on nearby residential amenity or business operations.</p>
22	Land Contamination
	<p>CONDITION: Prior to the commencement of development the following assessment in response to the NPPF and in accordance with CLR11 and BS10175:2011 shall be submitted to and approved in writing by the Local Planning Authority</p> <p>a) A land contamination investigation.</p> <p>Following the agreement to details relating to point a); details of the following works shall be submitted to and approved in writing by the Local Planning Authority prior to any superstructure works commencing on site:</p> <p>b) A programme of any necessary remedial land contamination remediation works arising from the land contamination investigation.</p>

	<p>The development shall be carried out strictly in accordance with the investigation and any scheme of remedial works so approved and no change therefrom shall take place without the prior written approval of the Local Planning Authority.</p> <p>c) Following completion of measures identified in the approved remediation scheme a verification report, that demonstrates the effectiveness of the remediation carried out, must be produced which is subject to the approval in writing of the Local Planning Authority in accordance with part b).</p> <p>REASON: Given the history of the site the land may be contaminated, investigation and potential remediation is necessary to safeguard the health and safety of future occupants.</p> <p>The land contamination details that are addressed by this condition are required to be addressed prior to the commencement of the development or at the earliest stages of the development. Therefore, these details are required to be agreed prior to commencement of the development.</p>
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23	Archaeological Investigation
	<p>CONDITION: No development shall take place on site unless and until the applicant has secured the implementation of a programme of archaeological mitigation in accordance with a Written Scheme of Investigation which has been submitted to and approved by the Local Planning Authority.</p> <p>No development or demolition shall take place other than in accordance with the details set out in approved Written Scheme of Investigation. The development shall not be occupied until the site investigation and post investigation assessment has been completed in accordance with the programme set out in the approved Written Scheme of Investigation, and the provision made for analysis, publication and dissemination of the results and archive deposition has been secured.</p> <p>REASON: Heritage assets of archaeological interest may survive on the site. The Local Planning Authority (in conjunction with Historic England) wishes to secure the provision of archaeological investigation and the subsequent recording of the remains prior to development.</p> <p>The archaeological details and/or design that are addressed by this condition relate to works that would take place either prior to any demolition commencing or at the beginning of the construction phase, and/or the details would affect the subsequent design of other critical elements of the scheme. Therefore, these details are required to be agreed prior to commencement of the development.</p>

List of Informatives:

1	S106
	<p>SECTION 106 AGREEMENT</p> <p>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.</p>

2	<p>Superstructure</p> <p>DEFINITION OF 'SUPERSTRUCTURE' AND 'PRACTICAL COMPLETION'</p> <p>A number of conditions attached to this permission have the time restrictions 'prior to superstructure works commencing on site' and/or 'following practical completion'. The council considers the definition of 'superstructure' as having its normal or dictionary meaning, which is: the part of a building above its foundations. The council considers the definition of 'practical completion' to be: when the work reaches a state of readiness for use or occupation even though there may be outstanding works/matters to be carried out.</p>
3	<p>Community Infrastructure Levy (CIL) (Granting Consent)</p> <p>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 Mayor of London's Community Infrastructure Levy (CIL). This will be calculated in accordance with 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 that is payable.</p> <p>Failure to submit a valid Assumption of Liability Notice and Commencement Notice prior to commencement of the development may result in surcharges being imposed. The above forms can be found on the planning portal at: www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil</p> <p>Pre-Commencement Conditions:</p> <p>These conditions are identified with an 'asterix' * in front of the short description. These conditions are important from a CIL liability perspective as a scheme will not become CIL liable until all of these unidentified pre-commencement conditions have been discharged.</p>
4	<p>Sustainable Sourcing of Materials</p> <p>INFORMATIVE: Materials procured for the development should be selected to be sustainably sourced and otherwise minimise their environmental impact, including through maximisation of recycled content, use of local suppliers and by reference to the BRE's Green Guide Specification.</p>
5	<p>Car-Free Development</p> <p>INFORMATIVE: All new developments are to be car free in accordance with Policy CS10 of the Islington Core Strategy 2011. This means that 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.</p>
6	<p>Roller Shutters</p> <p>ROLLER SHUTTERS</p> <p>The scheme hereby approved does not suggest the installation of external rollershutters to any entrances or ground floor glazed shopfronts. The applicant is advised that the council would consider the installation of external rollershutters to be a material alteration to the scheme and therefore constitute development. Should external rollershutters be proposed a new planning application must be submitted for the council's formal consideration.</p>

7	NPPF
	INFORMATIVE: The LPA and the applicant have worked positively and proactively in a collaborative manner through both the pre-application and the application stages of the development to deliver an acceptable development in line with the NPPF.
8	Thames Water
	A Groundwater Risk Management Permit from Thames Water will be required discharging groundwater into a public sewer. Any discharge made without a permit is deemed illegal and may result in prosecution under the provisions of the Water Industry Act 1991. We would expect the developer to demonstrate what measures are undertaken to minimise groundwater discharges into the public sewer. Permit enquiries should be directed to Thames Water's Risk Management Team.
9	Non-Return Valve
	Thames Water requests that the applicant should incorporate within their proposal, protection to the property by installing for example, a non-return valve or other suitable device to avoid the risk of backflow at a later date, on the assumption that the sewerage network may surcharge to ground level during storm conditions.
10	Water Pressure
	Thames Water will aim to provide customers with a minimum pressure of 10m head (approx. 1 bar) and a flow rate of 9 litres/minute at the point where it leaves Thames Water pipes. The developer should take account of this minimum pressure in the design of the proposed development.

APPENDIX 2: RELEVANT POLICIES

This appendix lists all relevant development plan policies and guidance notes pertinent to the determination of this planning application.

1 National Guidance

The National Planning Policy Framework 2012 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.

2. Development Plan

The Development Plan is comprised of the London Plan 2015, Islington Core Strategy 2011, Development Management Policies 2013, Finsbury Local Plan 2013 and Site Allocations 2013. The following policies of the Development Plan are considered relevant to this application:

A) The London Plan 2015 - Spatial Development Strategy for Greater London, Consolidated with Alterations since 2011

1 Context and strategy

Policy 1.1 Delivering the strategic vision and objectives for London

2 London's places

Policy 2.1 London in its global, European and United Kingdom context

Policy 2.2 London and the wider metropolitan area

Policy 2.3 Growth areas and co-ordination corridors

Policy 2.9 Inner London

Policy 2.12 Central Activities Zone – predominantly local activities

3 London's people

Policy 3.1 Ensuring equal life chances for all

Policy 3.2 Improving health and addressing health inequalities

Policy 3.3 Increasing housing supply

4 London's economy

Policy 4.1 Developing London's economy

6 London's transport

Policy 6.1 Strategic approach

Policy 6.2 Providing public transport capacity and safeguarding land for transport

Policy 6.3 Assessing effects of development on transport capacity

Policy 6.4 Enhancing London's transport connectivity

Policy 6.5 Funding Crossrail and other strategically important transport infrastructure

Policy 6.7 Better streets and surface transport

Policy 6.9 Cycling

Policy 6.10 Walking

Policy 6.12 Road network capacity

Policy 6.13 Parking

7 London's living places and spaces

Policy 7.1 Building London's neighbourhoods and communities

Policy 7.2 An inclusive environment

Policy 7.3 Designing out crime

Policy 7.4 Local character

Policy 4.2 Offices
Policy 4.3 Mixed use development and offices
Policy 4.11 Encouraging a connected economy
Policy 4.12 Improving opportunities for all

5 London's response to climate change

Policy 5.1 Climate change mitigation
Policy 5.2 Minimising carbon dioxide emissions
Policy 5.3 Sustainable design and construction
Policy 5.7 Renewable energy
Policy 5.9 Overheating and cooling
Policy 5.10 Urban greening
Policy 5.11 Green roofs and development site environs
Policy 5.12 Flood risk management
Policy 5.13 Sustainable drainage
Policy 5.18 Construction, excavation and demolition waste
Policy 5.21 Contaminated land

Policy 7.6 Architecture
Policy 7.8 Heritage assets and archaeology
Policy 7.13 Safety, security and resilience to emergency
Policy 7.14 Improving air quality
Policy 7.15 Reducing noise and enhancing soundscapes
Policy 7.19 Biodiversity and access to nature

8 Implementation, monitoring and review

Policy 8.1 Implementation
Policy 8.2 Planning obligations
Policy 8.3 Community infrastructure levy
Policy 8.4 Monitoring and review for London

B) Islington Core Strategy 2011

Spatial Strategy

Policy CS7 (Bunhill and Clerkenwell)
Policy CS8 (Enhancing Islington's Character)

Strategic Policies

Policy CS9 (Protecting and Enhancing Islington's Built and Historic Environment)
Policy CS10 (Sustainable Design)
Policy CS11 (Waste)

Policy CS13 (Employment Spaces)

Infrastructure and Implementation

Policy CS18 (Delivery and Infrastructure)
Policy CS19 (Health Impact Assessments)
Policy CS20 (Partnership Working)

C) Development Management Policies June 2013

Design and Heritage

DM2.1 Design
DM2.2 Inclusive Design
DM2.3 Heritage

Shops, culture and services

DM4.3 Location and concentration of uses
DM4.8 Shopfronts

Energy and Environmental Standards

DM7.1 Sustainable design and construction statements
DM7.2 Energy efficiency and carbon reduction in minor schemes
DM7.3 Decentralised energy networks
DM7.4 Sustainable design standards
DM7.5 Heating and cooling

Employment

- DM5.1** New business floorspace
- DM5.4** Size and affordability of workspace

Health and open space

- DM6.1** Healthy development
- DM6.5** Landscaping, trees and biodiversity
- DM6.6** Flood prevention

Transport

- DM8.1** Movement hierarchy
- DM8.2** Managing transport impacts
- DM8.3** Public transport
- DM8.4** Walking and cycling
- DM8.5** Vehicle parking
- DM8.6** Delivery and servicing for new developments

Infrastructure

- DM9.1** Infrastructure
- DM9.2** Planning obligations

D) Finsbury Local Plan June 2013

- BC3** Old Street
- BC8** Achieving a balanced mix of uses
- BC10** Implementation

3. Designations

The site has the following designations under the London Plan 2015, Islington Core Strategy 2011, Development Management Policies 2013, Finsbury Local Plan 2013 and Site Allocations 2013:

- Central London Zone (CAZ)
- Archaeological Priority Area
- St Luke's Conservation Area
- Cycle Routes (Local)
-
- Employment Priority Area (General)
- Bunhill & Clerkenwell Core Strategy Key Area
- Finsbury Local Plan Area

4. Supplementary Planning Guidance (SPG) / Document (SPD)

The following SPGs and/or SPDs are relevant:

Islington Local Plan

- Environmental Design
- Conservation Area Design Guidelines
- Inclusive Landscape Design
- Planning Obligations and S106
- Urban Design Guide

London Plan

- Accessible London: Achieving and Inclusive Environment
- Sustainable Design & Construction
- Planning for Equality and Diversity in London

APPENDIX 3: Design Review Panel Response



CONFIDENTIAL

ATT: Matt Bailey
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St Albans
AL1 5EF

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Planning and Development
PO Box 333
222 Upper Street
London
N1 1YA
T 020 7527 2389
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E Luciana.grave@islington.gov.uk
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Our ref: DRP/67

Date: 04 August 2015

Dear Matt Bailey,

ISLINGTON DESIGN REVIEW PANEL

RE: 112-118 Old Street (in connection with pre-application ref. Q2015/0174/MJR)

Thank you for attending Islington's Design Review Panel meeting on 14 July 2015 for an assessment of the above scheme. The proposed scheme under consideration is for the demolition of the existing three storey rear section of the office building for the redevelopment of the site through the erection of a replacement five storey (over basement) rear building, with a single storey glazed roof extension erected above the existing three storey front building at third floor level, together with installation of large pane glazing at ground floor level on the street facing elevation. The whole development would remain in B1 office use.

Review Process

The Design Review Panel provides expert impartial design advice following the 10 key principles of design review established by Design Council/CABE. The scheme was reviewed by Dominic Papa (chair), Richard Brown, Philip Cave, Michael Richter, Sarah Featherstone, and Simon Foxell on 14 July 2015 including a site visit and a presentation from the design team followed by a question and answers session and deliberations at the offices of the London Borough of Islington. The views expressed below are a reflection of the Panel's discussions as an independent advisory body to the council.

Panel's observations

The Panel was generally supportive of the principles of the scheme: refurbishment of the historic building, recessive roof addition and contemporary rear extension. However, concerns were raised in relation to how the proposals had been developed in particular the fenestration to the host building, the appearance of the rooftop and the design (including external appearance and internal layout) of the rear extension.

Front elevation

The Panel appreciated the intention to restore the original front elevation, particularly at ground level. The Panel did however question the proposal to use Crittall windows and suggested that timber sash windows would have been more historically appropriate for the building.



In response to the design teams enquiry regarding the chimney stack, the Panel felt that it should be retained as it added interest to the roofscape and assisted in concealing the proposed roof extension.

Rear extension

The Panel felt that the design approach of the earlier iteration of the rear extension was more successful, which was a clear new build and was not an attempt to create a faux warehouse look.

The Panel felt that it would have been more suitable to have a stronger distinction between the identity of the original front building and the new rear extension. Panel members suggested that an option could be to create more of a physical separation between the front building and the rear extension.

The Panel argued that extensive use of glazing on the rear extension would create serious problems with solar gain and overheating.

Roof extension

Given the proposed recessive character of the roof addition, the Panel argued that there was no need to use the same pattern of fenestration or materials as on the host building. Panel members argued that the upper storey might be better designed as part of the rear building in terms of materiality and design.

Layout

The Panel raised concerns over the internal relationship between the original front building and the rear extension, particularly the uneven floor plates. It was strongly recommended that level floor plates between the front building and the rear extension should be achieved, possibly by creating a deeper basement.

The Panel questioned whether the core was in the right position and whether alternative options had been explored. Panel members felt that the proposed position of the core would make subdividing the office floors more difficult and made fire escape routes from the building potentially challenging.

Summary

In conclusion, the Panel felt that there was confusion over the overall strategy for the building. In particular the panel members felt that the original front building and the new rear extension should be given much clearer and more distinct identities. The Panel argued that in light of the rear extension essentially being a new building, there was no reason to settle for compromised solutions, and that a much higher quality building should be sought, particularly in terms of layout, access and sustainability.

The Panel recommended that the scheme should undergo a further review by the Panel.

Thank you for consulting Islington's Design Review Panel. If there is any point that requires clarification please do not hesitate to contact me and I will be happy to seek further advice from the Panel.

Confidentiality

Please note that since the scheme is at pre-application stage, the advice contained in this letter is provided in confidence. However, should this scheme become the subject of a planning application, the views expressed in this letter may become public and will be taken into account by the Council in the assessment of the proposal and determination of the application.

Yours sincerely,



Luciana Grave
Design Review Panel Coordinator
Design & Conservation Team Manager

APPENDIX 4: VIABILITY REPORT

112-116 Old Street, London, EC1V 9BD



Planning application reference: P2015/4651/FUL

Addendum Report

15 January 2016

1.0 INTRODUCTION

1.1 BPS Chartered Surveyors has been instructed by the London Borough of Islington (the Client) to review a viability submission prepared by ULL Property (the applicant's consultants) on behalf of Costview Estates Ltd (the applicant) in respect of a proposed development of the above property.

2.0 SUMMARY

2.1 Our previous report, dated 08 January 2016, concluded that when benchmarking against the EUV there would be a modest surplus of £213,440. This conclusion was primarily based on an alteration to the EUV based on the lease terms that had been supplied to us which showed a total rent for the property of £450,350 as opposed to £495,000.

2.2 Since the submission of our report we have been provided with a Deed of Variation to the lease covering the basement and ground floors. This deed revised the rent to £173,750 from £128,575 and removed clause 40, relating to break options, from the original lease.

2.3 Based on this updated information we revise our initial position and ultimately agree with ULL that when benchmarked against the EUV the scheme is in deficit and that therefore the site is unable to deliver either any on-site affordable workspace or an off-site payment in this regard.

112-116 Old Street, London, EC1V 9BD



Planning application reference: P2015/4651/FUL

Independent Assessment of Economic Viability

8 January 2016

1.0 INTRODUCTION

1.1 BPS Chartered Surveyors has been instructed by the London Borough of Islington (the Client) to review a viability submission prepared by ULL Property (the applicant's consultants) on behalf of Costview Estates Ltd (the applicant) in respect of a proposed development of the above property.

1.2 The proposed application comprises:

Two storey roof level and single storey basement extensions to existing B1 office building; remodelling of rear/side facade, replacement windows and shopfront to front facade and various internal alterations.

1.3 The Planning Statement describes the subject site as below:

The site is located on the South Side of Old Street. The site is a roughly rectangular shape and is occupied by two attached buildings, which provide full site coverage. The site is approximately 670sq.m (0.067 ha), with an existing internal floorspace of 1,898.3 sq.m (20,433.1 sq.ft) split between the front and rear building elements.

1.4 The Planning Statement also makes the following observation:

The development proposes 3,437 sq.m (36,995.6 sq.ft) (GIA). This is an additional 1,538.7 sq.m (16,562.4 sq.m) (GIA) of B1(a) floorspace which will be improved quality. The new floorspace has been designed to be flexible enabling it to accommodate a variety of unit types and sizes including SMEs.

1.5 ULL's submission demonstrates a deficit of £-526,560 when the proposed benchmark land value of £8.13m is compared to the proposed developments residual value of £7,603,440. On this analysis they conclude that the scheme is not sufficiently viable to provide any affordable workspace on site or an offside payment.

1.6 ULL state that the Council are seeking 5% of the proposed office accommodation to be affordable workspace and a S106 contribution of £630,900.

2.0 CONCLUSIONS AND RECOMMENDATIONS

- 2.1 We are satisfied with the approach ULL have taken in arriving at their Benchmark Land Value (BLV). The BLV is based on an existing use value approach reflecting the current rental income generated from the tenants of the building.
- 2.2 In analysing the leases and tenancy schedule provided by the applicant we note that the basement and ground floor rent did not correspond with the rent specified in the relevant lease. Therefore by using the corrected rent which produces a revised rent for the property of £450,350 instead of £495,000 adopted by ULL we calculate a lower BLV of £7.39m compared to ULL's figure of £8.13m.
- 2.3 Having analysed ULL's proposed rental values and yields against the comparable evidence provided and in light of our own research, we are of the view that the estimated rental values and investment yields applied are broadly reasonable.
- 2.4 Our retained Quantity Surveyor Neil Powling has reviewed the proposed costs and benchmarked these against relevant BCIS elemental rates. He confirms the proposed overall cost rate of £2,356 per m2 appears reasonable on this basis. Neil's full report can be found at Appendix 2.
- 2.5 Reflecting our slightly lower BLV of £7.39m we conclude the scheme shows a modest surplus of £213,440 which could be available to assist the provision of affordable workspace or other planning obligation.
- 2.6 We understand from the applicant that the Council are currently seeking a contribution from the applicant in the order of £800,000 for connection to a proposed combined heat and power. For the sake of clarity any contribution that may be agreed in this respect has been excluded from our analysis and conclusions but would serve to reduce current scheme viability.

3.0 PLANNING CONSIDERATIONS

Affordable Workspace

- 3.1 The Islington Guidance on Affordable Workspace December 2014:

The proportion of small/affordable floorspace be provided within specific schemes will be addressed on a site specific, case-by-case basis, taking into account the cost of development. Seeking to standardise cost and value estimates is problematic, as there are too many unknown variables. These include land values at acquisition stage; the site preparation and servicing costs related to each scheme; possible abnormal site preparation costs such as contamination; the condition of existing buildings where refurbishment would be involved; differences in costs between low and high rise developments; and a wide range of location, site and market specific factors. On top of this, delays due to planning or legal disputes can increase holding costs.

As a starting point for negotiation, 5% of the total amount of business floorspace in major developments should be provided as affordable workspace. Consistent with policy DM5.4, part B, where existing low value workspace is proposed to be redeveloped, an equivalent amount of affordable workspace should be provided unless it can be demonstrated to the council's satisfaction that the site is no longer suitable for the provision of similar uses. DM5.4, part E provides flexibility where public education, community uses or social infrastructure (e.g. childcare or health facilities) are provided on-site; this will be offset against the overall floorspace requirement for affordable workspace.

Within any particular scheme, the council will accept any form of small, micro or affordable workspace as contributing towards the overall proportion to be provided. As an example, if the council considers that a development should provide 25% of floorspace as affordable workspace, but only 20% is proposed, the 8 remaining 5% may be sought through the subdivision of retail units, the provision of additional small or micro units or (where appropriate) an equivalent financial contribution.

3.2 We also note:

Where genuinely exceptional circumstances can be demonstrated to the council that the provision of affordable workspace on-site is a) inappropriate, or b) would have an unacceptable impact on the viability of a scheme, financial contributions will be sought to secure equivalent provision off-site. Off-site provision will be achieved by the council bringing redundant properties into use (e.g. converting vacant garages to workshops), or by the council working in partnership with the voluntary sector to secure improvements to existing workspaces or providing additional workspace.

The off-site contribution will be negotiated on a case by case, cost per sqm basis. This will also be dependent on the outcomes of a viability assessment and discussions with the council.

4.0 VIABILITY BENCHMARK

Viability Benchmarking

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

Gross Development Value - Development Costs (Inc. Developer's Profit) = Residual Value

4.2 The residual value is then compared to a benchmark land value. Existing Use Value (EUV) and Alternative Use Value (AUV) are standard recognised approaches for establishing a land value as they help highlight the apparent differences between the values of the site without the benefit of the consent sought.

4.3 The rationale for comparing the scheme residual value with an appropriate benchmark is to identify whether it can generate sufficient money to pay a realistic price for the land whilst providing a normal level of profit for the developer. In the event that the scheme shows a deficit when compared to the benchmark figure the scheme is said to be in deficit and as such would be unlikely to proceed.

- 4.4 In line with the Council's emerging SPD on development viability we prefer EUV as a basis for benchmarking development as this clearly defines the uplift in value generated by the consent sought. We find the Market Value approach as defined by RICS Guidance Viability in Planning 2012 as providing an essentially circular reasoning. The RICS Guidance promotes use of a modified standard definition of "market Value" by reference to an assumption that the market values should reflect planning policy and should disregard that which is not within planning policy. In practice we find that consideration of compliance with policy can effectively be relegated to a minor consideration in analysing market transactions. On this basis and recognising the essentially competitive land market, if developers are encouraged to believe they will be able to offset a requirement to meet policy obligations by virtue of a higher price paid for land, the use of this benchmark becomes circular and can potentially lead to negligible contributions.
- 4.5 The NPPF recognises at 173, the need to provide both land owners and developers with a competitive return. In relation to land owners this is to encourage land owners to release land for development. This has translated to the widely accepted practice when using EUV as a benchmark of including a premium. Typically in range from 5-30%. Guidance indicates that the scale of any premium should reflect the circumstances of the land owner. We are of the view that where sites represent an ongoing liability to a land owner and the only means of either ending the liability or maximising site value is through securing a planning consent this should be a relevant factor when considering whether a premium is applicable.

Proposed Benchmark

- 4.6 The proposed benchmark reflects an Existing Use Value (EUV) of £7.07m. The EUV is based on the subject site's existing use of office accommodation (B1 use class). A land owner's premium of 15% has been added to this figure to derive the proposed benchmark of £8.13m
- 4.7 The proposed BLV of £8.13m equates to a sales rate of £4,283psm/£398psf. We have confirmation that the existing office space has a total area of 1,898.3sqm/20,433sqft (GIA) as shown below:

Use Class	Floor	NIA (sq m)	NIA (sq ft)	GIA (sq m)	GIA (sq ft)
B1 Offices	Basement	97.0	1,044	176.9	1,904
B1 Offices	Ground	516.4	5,558	669.7	7,209
B1 Offices	First	450.4	4,848	523.9	5,639
B1 Offices	Second	501.7	5,400	527.8	5,681
TOTAL		1,565.5	16,851	1,898.3	20,433

Rental Value

- 4.8 ULL have based the rental values of £29psf in line with the existing aggregate passing rent of £495,000 per annum.
- 4.9 We have requested for a tenancy schedule for the existing subject site to confirm the rent proposed in this case. We note that the aggregate passing rent as identified under copy leases provided total £450,350 per annum equating to of £291psm/£26.73

4.10 This compares to ULL’s analysis which assumes a total rent roll of £495,000 which equates to a rate of £312psm/£29psf.

4.11 The amended tenancy schedule is shown below:

Floor	Tenant	NIA (sqft)	Unexpired Months	Annual Rent Passing	£/Sqft
Basement & Ground	Waddell Ltd	6,602	5	£128,575	£19.48
First	BP Media Ltd	4,848	12	£187,500	£38.38
Second	Crate Enterprises Ltd	5,400	12	£134,275	£24.87
	Total	16,850		£450,350	£26.73

4.12 We have inspected the property and are of the opinion that the space would be classed as grade tertiary or poor grade B accommodation, although it offers relatively clear space but the building quality is quite poor but would no doubt appeal to design and media occupiers such as the current occupiers. We have also reviewed the buildings Energy Performance Certificate (EPC) and note that the rating is currently ‘G’. It should be highlighted that from April 2018 the minimum required rating for letting a commercial property would be an ‘E’. The current EUV calculation includes an all risk yield of 7% which is designed to reflect the need for refurbishment but we question whether this softer yield adequately reflects the void period and scale of works likely to be required to raise the EPC performance to the requisite level as no detailed assessment of the works required to bring the property up to an acceptable standard have been provided.

4.13 However if we take ULL’s assumption that the current tenants remain in occupation beyond their current terms then there would be a need for comprehensive refurbishment factored into the valuation of this property before April 2018. We have not been able to make a realistic estimate of the costs involved but note that in addition to preplacing widows there would be a need to address wall and roof insulation as well as possibly current heating arrangements and therefore is doubtful whether tenants could remain occupation throughout these works.

Capitalisation Yield

4.14 An all risk yield of 7% has been applied in this case which is in accordance with our comparable evidence at Appendix 1. The comparable which shows the highest yield is at 6.9% but the general trend is much lower, therefore we accept there is a reflection in the yield of the refurbishment issues

Land Owner’s Premium

4.15 We note that a 15% premium has been applied to the EUV. The purpose of a premium is to provide an incentive to a landowner to release land for development. This reflects NPPF and NPPG Guidance.

- 4.16 Both NPPG and GLA Guidance stress that the application of premium should not be applied on a formulaic basis and should reflect the circumstances of the property.
- 4.17 In our considerable experience we generally see premiums in a range of between 0% and 30% of EUV.
- 4.18 The proposed premium is relatively modest, however given the poor standard of the property and the need to make substantial investment due to the current energy rating there is reason to think an owner would need comparatively little incentive to look to renew this asset. We do however accept that a premium to an extent is applicable in this case and accept 15% is not unreasonable.

BPS Existing Use Value

- 4.19 Using the same EUV approach as ULL but applying the correct rental income of £450,350 p.a. we calculate a lower figure of £6.43m. With the inclusion of a 15% premium we arrive at a proposed benchmark of £7.39m. This compares to ULL’s proposed EUV figure of £7.07m and with premium £8.13m.
- 4.20 In arriving at our overall conclusions we have adopted our lower benchmark figure.

5.0 MARKET OFFICE ACCOMMODATION

- 5.1 The table below summarises the proposed office accommodation to be provided by this scheme.

Use Class	Floor	NIA (sq m)	NIA (sq ft)	GIA (sq m)	GIA (sq ft)
B1 Offices	Basement	360.0	3,875	619.0	6,663
B1 Offices	Ground	428.5	4,612	626.0	6,738
B1 Offices	First	522.3	5,622	629.5	6,776
B1 Offices	Second	522.3	5,622	628.8	6,768
B1 Offices	Third	432.0	4,650	528.7	5,691
B1 Offices	Fourth	334.5	3,601	405.0	4,359
TOTAL		2,599.6	27,982	3,437.0	36,996

- 5.2 ULL state that the applicant intends to sell the asset to an institutional investor once fully let. Therefore the revenue in this case will include the rental income received to the point of sale.
- 5.3 We note that the location of the site is within London’s ‘tech city’. The map below illustrates this. The black arrow shows the location of the subject site. 0.3 miles east of so called silicon roundabout.



Rental Value

- 5.4 Below we have analysed ULL’s supporting evidence used to establish an appropriate rental value and capitalisation rate. ULL note their comparables are sourced from within 0.25 miles from the subject site and are between 1,500 sqft and 10,000 sqft that have been transacted in the last six months. We have also sought our own evidence and include this within our analysis.
- 5.5 ULL have proposed a rental value of £619psm/£57.50psf to the ground and upper floors. For the basement a rental value of £35psf has been applied. ULL have assumed that a term of 10 years would be granted for a new lease, subject to a six month rent-free period.
- 5.6 ULL have provided comparables that comprise second-hand office accommodation which includes units that are in need of refurbishment and updating, for example lighting for many of them is category 2 whereas current regulations demand category 7. Some of these transactions we have not been able to confirm whether they are air conditioned or not. The comparables gives a range of rental values from £431psm/£40psf to £554psm/£51.50psf averaging at £506psm/£47psf.
- 5.7 We sought our own comparables which comprise new build office in the surrounding area of the subject site. These include White Collar Factory and The Bower both of which have slightly better locations in the heart of ‘Tech City’ on ‘Silicon Roundabout’ next to Old Street underground station. Both comparables reflects the high end of the rental value spectrum in this area.
- 5.8 The White Collar Factory is still under construction, near completion and achieved pre-let rental values ranging from £603psm/c£56psf to £678psm/c£63psf which average at £635psm/£59psf. This comparable comprises a modern high quality specification including; generous and flexible working space, reception, landscaped courtyard 6m head room, communal roof terrace with running track and concrete core cooling.
- 5.9 The Bower is also still under construction, near completion and achieved a pre-let rental values from c£50psf to c£60psf averaging at £55psf. This comparable includes; a new

public realm, air conditioning, roof top terraces, and in one of two plots (The Tower) there are cityscape views and double-height space.

- 5.10 Overall we are of the view that the proposed rental value of £619psm/£57.50psf is appropriate. We also note that for the basement office accommodation ULL have proposed discounted rental value at 60% of the normal rental value, £377psm/£35psf, which is realistic for space with practically no natural lighting.
- 5.11 Appendix 1 sets out the relevant transaction evidence used to inform our assessment.

Capitalisation Yield

- 5.12 ULL propose a capitalisation yield of 5.75% which once applied to the proposed rental values generate a capital value of £10,016psm/£931psf.
- 5.13 ULL have provided comparable evidence which shows a range of yields achieved from 4.75% to 5.25% which average at 5%. These comparables give capital values ranging from £607psf to £1,170psf which average at £857psf.
- 5.14 Our comparables show two yields of 5% and 6.9% and in terms of capital value they show a range from £2,217psm/£206psf to £7,352psm/£683psf which average at £4,338psm/£403psf.
- 5.15 The yield spectrum ranges from 4.75% to 6.9%. This gives an average yield of 5.8% which is in line with the proposed yield of 5.75%, therefore we are of the opinion that it is broadly reasonable, however yield will also reflect the eventual lease terms and tenant covenant strength which are of course unknown at this point.

6.0 BUILD COSTS

- 6.1 Our Quantity Surveyor, Neil Powling has reviewed the proposed costs and is of the view that they appear reasonable when benchmarked against BCIS averages as outlined in his report which can be found at Appendix 2.
- 6.2 In his report Neil gives the following overview of his assessment:

'The result of our adjusted benchmarking yields a rate of £2,374/m² that compares to the Applicant's £2,356/m². We therefore consider the Applicant's construction costs to be reasonable.'

Other Fee assumptions

- 6.3 The adopted profit target is 15% of the GDV of the market office element representing a standard market assumption which we would not dispute.

- 6.4 The development finance rate assumed is 7%, as a blended cost of capital, to included arrangement and exit fees. We view this to be is in line with current market expectations.
- 6.5 Site purchase costs are comprised of stamp duty land tax rate at 4%, 1% agent fees and 0.5% legal fees, as are the purchaser's costs for the market office investment sale.
- 6.6 Mayoral CIL and Borough CIL payments have been identified as a total of £200,031 which we have not tested.
- 6.7 We view the following additional assumptions within the appraisal as being realistic and in line with market norms:
- Professional fees of 10% (contingency is included within construction costs)
 - Marketing costs for letting of £50k (% of GDV)
 - Investment sale costs of £50,000 (% of GDV)
 - Letting agents fees a 10% of rent
 - Letting legal fees at 5% of rent
 - Sales agents fees at 1% of GDV
 - Sales legal fees at 0.5% of GDV