

Planning Services
Policy Team
Room 328
The Town Hall
Hornton Street
London
W8 7NX

Our ref. NTH/AXG/J5255

9 December 2009



Dear Sir

Royal Borough of Kensington and Chelsea – Proposed Submission Core Strategy (October 2009)

Please find enclosed responses to this document which is submitted on behalf of Cadogan Estates Limited.

We look forward to hearing the outcome of the consultation exercise in due course. We would be grateful if you could keep us informed of the timetable going forward.

Should you have any questions please do not hesitate to contact Neil Henderson or Hannah Pennington of this office.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Neil Henderson', written over the typed name 'Gerald Eve LLP'.

Gerald Eve LLP

Enc.

c.c. Hugh Seaborn Esq - Cadogan Estates Limited

Proposed Submission Core Strategy for the Royal Borough of Kensington and Chelsea with a focus on North Kensington

Development Plan Document

Local Development Framework

Publication Stage Representation Form

Please e-mail this form to: planningpolicy@rbkc.gov.uk

Alternatively send this form to:

Planning Services
Policy Team
Room 328
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For further information:

Visit our website at: <http://ldf-consult.rbkc.gov.uk>

Phone the LDF hotline on: 020 7361 3879

Responses must be received no later than midday Thursday 10 December 2009

Personal Details

Name:..... CADOGAN ESTATES LIMITED
Organisation:..... C/o GERALD EVE LLP
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..... W1G 0JB
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To be "sound" a core strategy should be JUSTIFIED, EFFECTIVE and consistent with NATIONAL POLICY.

"Justified" means that the document must be:

- founded on a robust and credible evidence base
- the most appropriate strategy when considered against the reasonable alternatives

"Effective" means that the document must be:

- deliverable
- flexible
- able to be monitored

"Consistent with National Policy" means that it is consistent with government guidance contained within Planning Policy Guidance and Planning Policy Statements

Yes

No

Do you consider the core strategy to be legally compliant?

Do you consider the core strategy to be Sound?

Please tick the appropriate box

If you have selected YES and you wish to support the legal compliance or soundness of the core strategy, please be as precise as possible when setting out your comments below

Please make it clear which Paragraph number, Vision box number, Policy box number or Objective box number you are commenting on.

Please attach additional pages as required

If you have selected NO do you consider the core strategy to be unsound because it is not.

Justified

Effective

Consistent with national policy

Please tick the appropriate box

Please give details of why you consider the core strategy to be unsound or not legally compliant. Please be as precise as possible when setting out your comments below.

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POLICY CH2

Please attach additional pages as required

Proposed Submission Core Strategy for the Royal Borough of Kensington & Chelsea

Representations on behalf of Cadogan Estates Limited (CEL)

Policy CH2

The Cadogan Estate is one of the largest single land holdings in London comprising some 38 hectares of one of the Capital's most fashionable districts, stretching from Knightsbridge in the north to Cheyne Walk in the south, and from Cadogan Place in the east to Beaufort Street in the west. Substantial residential conversion programmes that took place in the early to mid 20th Century have resulted in the high proportion of the portfolio attributable to flat conversions that can be seen today.

Today, the Estate currently comprises 1,800 flats, 370 houses, 200 shops and stores, 5 schools and approximately 40,000 sq m of office accommodation.

In addition to the ongoing management, the Estate is also highly experienced in major redevelopment projects. Specifically, CEL brought forward the development of the Duke of York's headquarters, a Grade II listed building on the King's Road. CEL undertook conversions and developed the site to create a vibrant new destination including a mix of retail, commercial and residential property totalling in the order of 500,000 sq ft together with the occupation of the new Saatchi Gallery.

Against this background and with regard to Policy CH2 i, j and m, CEL fundamentally objects to the inclusion of a floorspace threshold which, at the level proposed of 800 sq m and above, will sterilise the viability of many small refurbishment and conversion schemes which would otherwise provide valuable new housing to the market.

Importantly, paragraph (i) now makes reference to a presumption that there will be a requirement to achieve at least 50% provision of affordable housing on gross residential floorspace in excess of 800 sq m.

There is clearly a balance to be made between the need to provide housing and the need to deliver affordable housing. If greater weight is given to policies which set high standards for the proportion of affordable housing that must be achieved when development comes forward, this will have the effect of disincentivising developers to bring forward new housing developments thus stemming the production

of new housing. Consequently, although the proportion of affordable housing that might be achieved on individual developments may be relatively high, the total volume in a particular Borough may not be significant because of reduced total numbers of housing developments coming forward generally, particularly in the current financial climate.

CEL have significant concerns with a policy presumption that is based on a requirement for at least 50% provision of affordable housing on gross residential floorspace.

Firstly, reference to a figure of at least 50% is arbitrary and without basis. The Royal Borough have not provided any evidence that a requirement for at least 50% of residential schemes to be affordable represents the most effective way of delivering affordable housing numbers. CEL consider the overall effect will be to disincentivise the delivery of housing and thus affordable housing schemes.

Secondly, if a threshold is to be used, it should only be referred to in the context of a maximum threshold. Developers and landowners require as much certainty as possible on the maximum costs they may be incurring when pursuing a particular type of development proposal. It would be wholly inappropriate, and indeed contradictory to the requirements of Policy CH2(p), to make reference to an open ended requirement for affordable housing where there is no clear justification of how the quantum of affordable housing is defined.

It is on this basis, that CEL suggests that, should it be considered necessary to include reference to a target, this should be constructed as a maximum threshold and it should be made explicit that this is a borough wide target and not a requirement for each site. Such an approach would then be consistent with the requirements of Policy CH2(p) as proposed.

Finally, it is considered that Policy CH2(m) does not represent an affective or justified approach to the delivery of off site affordable housing solutions. A requirement to make an application for any offsite affordable housing concurrently with the main planning application is presumptuous and, importantly, impractical.

Due to the nature and prestige of the Royal Borough, opportunities for purchasing development land are extremely scarce. As a result, until the applicant has certainty on the main application, both in

terms of the quantum of development that will be achieved and an agreed position on viability, developers and landowners will simply not commit to the costs associated with securing a site and indeed promoting a separate planning application. The negotiations that might occur during the determination of the main application site have a significant effect on the quantum of off site housing that may be required and consequently the size of the site that may be required. Indeed, schemes where off site solutions are required are likely to be smaller and therefore more sensitive to these changes. It would therefore be wholly ineffective to bring forward a policy that places onerous requirements without clear justification.

On schemes where an off site solution is appropriate, it is considered sufficient to secure this through appropriately worded obligations and triggers within a legal agreement. This approach minimises unnecessary costs to the developer/landowner but provides sufficient control to the LPA for the delivery of the affordable housing component.

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Please attach additional pages as required

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Justified

Effective

Consistent with national policy

Please tick the appropriate box

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Paragraph 15.3.4
Paragraph 31.3.18
Policy CF2

Please see attached comments

Please attach additional pages as required

Proposed Submission Core Strategy for the Royal Borough of Kensington & Chelsea

Representations on behalf of Cadogan Estates Limited (CEL)

Paragraph 15.3.4

Paragraph 31.3.18

Policy CF2

The Cadogan Estate is one of the largest single land holdings in London comprising some 38 hectares of one of the Capital's most fashionable districts, stretching from Knightsbridge in the north to Cheyne Walk in the South and from Cadogan Place in the east to Beaufort Street in the west. The King's Road and Sloane Street are bywords for the location of the most fashionable shops.

Today, the Estate currently comprises some 1,800 flats, 370 houses, 200 shops and stores, 5 schools and approximately 40,000 sq m of office accommodation. The shops and stores include world famous fashion names. In addition to ongoing management of property, CEL is also a highly experienced developer and brought forward the development of the Duke of York's headquarters which involved developing the former Territorial Army headquarters in the heart of the King's Road to create a new vibrant commercial destination including a mix of retail, commercial and residential property totalling in the order of 500,000 sq ft.

It is against this background that CEL considers the Royal Borough's requirement to provide both small and affordable shops as part of Section 106 Agreements relating to any new large scale retail development, is wholly inappropriate and will in fact be counter productive to its objectives.

CEL take a flexible approach to the construction and assignment of leases to retail occupiers on a case by case basis taking in account the quality of the retailer; the need to ensure a varied retail offer and also the need to maintain occupancy at the highest level in order to create an appropriate level of vitality and vibrancy throughout the principal shopping parades within the Estate. Therefore, in some

circumstances, the Estate offers a lower level of rent where it is considered the particular type of retail or tenant will make a significant contribution to the retail offer overall.

The critical difference between the approach the Estate takes on this matter and the approach that the Royal Borough are now proposing is that the Estates' strategy is based on identifying the right retailer that might be appropriately encouraged to occupy the retail unit through a lower level of rent rather than simply identifying retail units that should provide discounted rents in perpetuity.

If the Royal Borough's intention is to try to attract more independent boutique retailers who might not otherwise be able to compete with the larger national and multiple retailers, the strategy is substantially flawed. Unlike the principle of affordable housing where there is clear criteria for the tenant occupation, it will be impossible to impose criteria for the occupation of the discounted units. Importantly, the Royal Borough has very few opportunities for new large scale retail development to be achieved and yet there is an overwhelming need for new retail accommodation to be brought forward in the Borough in order to compete with much larger out of town centres such as Westfield. Clearly, a requirement to provide an element of affordable retail units as part of larger retail schemes will have a substantial impact on viability and may in fact discourage many landowners and developers from considering such projects which, in the current climate are already marginal.

In addition to this, a requirement to provide a range of shop unit sizes in new major retail developments and resist the amalgamation of shop units as specified in Policy CF2(b) would compound the problem further. Onerous and prescriptive restrictions will ultimately prohibit investment in this particular land use which needs to be flexible and be able to respond to quickly to the requirements of modern occupiers.

Overall, CEL do not consider that either the requirement for affordable shop units or the introduction of a policy approach which reduces the flexibility on both retailers and landowners for managing and responding to the needs of modern retailer requirements represent the most effective strategy for the delivery of vital and vibrant retail areas and, indeed, it is considered such an approach is likely to be counterproductive to this objective.