

Planning and Borough Development

Kensington Town Hall, Hornton Street, London, W8 7NX

Executive Director for Planning and Borough Development

Jonathan Bore

Mr Steve Quartermain
Chief Planner
Department for Communities and Local Government
Eland House
Bressington Place
SW1E 5DU

22 February 2013

My reference:

Your reference:

Please ask for: Jonathan Bore

Dear Mr Quartermain,

CONVERTING OFFICES TO RESIDENTIAL USE WITHOUT PLANNING PERMISSION

I am writing in connection with the proposal to extend the General Permitted Development Order (GPDO) so as to allow offices (Use Class B1(a)) to change to residential (Class C3) without planning permission. This letter, together with the attached reports, constitutes the Royal Borough of Kensington and Chelsea's formal request to be exempted from the proposed change to the GPDO.

We understand and support the Government's proposals to extend permitted development rights. For those areas where there are high levels of office vacancy, allowing changes of use without planning permission will help to create much needed housing with minimal effect on employment and no impact on greenfield land, and should help to stimulate economic activity.

However, in Kensington and Chelsea, all the research indicates that the proposal would have a very harmful effect on major business clusters of national and international significance; and that a significant proportion of the housing generated would stay vacant for much of the year.

The powerful, economic forces at work include the huge difference in value between residential and office floorspace. Kensington and Chelsea is internationally recognised as a safe haven for residential property investment. This creates an apparently insatiable demand for homes and causes a chronic imbalance between residential and office property values. Although the office sector is vibrant and has very low levels of vacancy, it would not, in the absence of policy protection, stand a chance of competing with residential values. The result would be a rash of residential conversions at the expense of businesses.

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The evidence in the attached report demonstrates that firms located in B1(a) premises in the Royal Borough directly employ 19,530 people and generate economic output of almost £1.5 billion per year. The direct impact of the proposed changes to planning regulations may therefore over time be the loss of jobs and output on that scale.

In the short term there are over 2,300 firms in B1(a) premises at severe or high risk of conversion with leases due to expire in the next three years. These firms directly employ 12,000 people and generate economic output of more than £900 million.

The evidence also demonstrates the potential damage to the UK economy arising from the impact on several important international business clusters in Kensington and Chelsea, including music, film, TV, publishing, fashion and the photographic industry.


It follows that, unless an exemption is made for the Royal Borough, a very large amount of office floorspace, with its attendant employment and economic value to the country, could well be lost.

The evidence also demonstrates that, this being a small borough, the pattern of interlinked businesses extends across the whole of Kensington and Chelsea. A good example of this is in the music industry, where offices in Kensington High Street related to the music industry have a close relationship with recording studios in less expensive parts of the Borough. The map enclosed with the report, which plots businesses at risk, demonstrates just how broadly our key businesses are spread across the Borough and it is therefore neither possible nor desirable to subdivide it into small areas for the purposes of exemption.

Finally, the evidence demonstrates that much of the new residential floorspace would be bought for international investment purposes and would not be occupied for much of the year. Of course, residential development does generate expenditure and we would envisage some extra expenditure on servants, restaurants and clubs, designer shops and basement development. This would come nowhere near compensating for the loss of a very large swathe of our business base and the consequent damage to the range of services that support it.

We are very grateful to be given the opportunity to present you with the evidence supporting our case for exemption. Please do not hesitate to contact me if you require any further clarification on any of the matters in this letter or our accompanying report.

Yours sincerely,



Jonathan Bore
Executive Director for Planning and Borough Development