

TOWN AND COUNTRY PLANNING ACT 1990

**MAIDSTONE BOROUGH LOCAL PLAN
EXAMINATION**

**SESSION 8 – EMPLOYMENT POLICIES
AND ALLOCATIONS**

**REPRESENTATIONS
ON BEHALF OF**

LONDON AND CAMBRIDGE PROPERTIES LIMITED

**IN RESPONSE TO ED 118
THE COUNCIL'S EMPLOYMENT UPDATE
FOLLOWING THE INSPECTOR'S
INTERIM FINDINGS**

D2 Planning Ref: 040/16

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February 2017

D2

1. In his interim findings, the Inspector stated the following:- (paragraph 108)
Unless alternative provision is identified there is likely to be a shortfall in the delivery of office floorspace against the identified requirement. Alternative provision may involve mixing development with more lucrative land uses in the town centre.

In the town centre, reduced on-site parking requirements could improve viability where alternative parking and public transport are available.

Consideration should be given to safeguarding part of Woodcut Farm or other sites suitable for office development from other uses for a period pending a recovery of office development values later in the plan period.
2. Therefore, the Council, in response to these interim findings, have published a briefing note in response to the Inspector's Interim findings, with regards to the implications for employment land supply.

Mote Road Allocation

3. Prior to the Hearing session on the employment sites, the Council amended the allocation at Mote Road (EMP1 (1)) to the following:-
RMX1 (x)
Mote Road, as shown on the policies map, is allocated for residential-led mixed use development to include a significant element of office floorspace (B1a). Leisure uses would also be appropriate as part of the mix of uses on this site.
4. The Inspector in his Interim Findings stated:- (paragraph 111)
The Employment and Retail Topic Paper suggested that the identified need for 24,000sqm of office floorspace would be met with 16,000sqm at Woodcut Farm and 8,000sqm at Mote Road in Maidstone Town Centre.

However there are evident viability issues with both sites such that neither site is now expected by the Council to deliver this much space. Provision may be as little as half the figure of 24,000sqm. The suggested identification of 3,000sqm of office floorspace at Maidstone East would only partially make up the anticipated shortfall.

5. However, the Council's briefing note published in response to the interim findings has proposed further changes to the employment site allocations. With regards to Mote Road, the proposed Main Modification proposes that the site is now allocated for **up to 2,000sqm** of office floorspace as part of a mixed use development. The Main Modification continues to recognise that Mote Road will be a RMX1 policy, rather than an EMP1.
6. However, the objector and landowner of the site (London and Cambridge Properties Limited) still have serious concerns with regards to the provision of 'up to 2,000sqm'.
7. The report by Bishop Whitehead submitted with LCP's representations in October 2016, clearly demonstrated that the allocation of an 8,000 sqm office building at Mote Road would not be suitable or achievable. Importantly, this was due to this amount of office floorspace not being viable, as the Inspector noted and accepted in his interim findings.
8. Despite the reduction of office floorspace from 8,000 to 2,000, it is considered that similar conclusions can be applied to the now 'up to 2,000 sqm' envisaged by the main modification.
9. As quoted in our original representations on the site, paragraph 173 of the NPPF states that: -

“Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable (my emphasis). Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be

applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”

10. For any office development to be viable there must be an identifiable demand for the proposed space. As demonstrated in the report by Bishop Whitehead, demand for space in Maidstone has been weak for many years and dominated by occupiers requiring less than 185 sqm.
11. There have been few requirements for over 465 sqm in the last five years and only one letting in the Town Centre of more than 930 sqm. With the exception of Maidstone Borough Council’s relocation, the last letting of 1,860 sqm in the Town Centre took place in 2004. With Maidstone no longer being a target town for occupiers with a regional requirement, this pattern of demand is set to continue in the foreseeable future and accordingly. Therefore, it is considered that even a level of office floorspace of ‘up to 2,000sqm’ would continue to be unviable due to the lack of demand.
12. Furthermore, as pointed out in Bishop Whitehead’s report, if it has not been viable to develop a 1,395 sqm building speculatively at Eclipse Park it is plainly not viable to build ‘up to 2,000 sqm’ speculatively in the Town Centre. In the opinion of Bishop Whitehead, in order to be fundable and therefore financially viable, there would still need to be pre let on institutionally acceptable terms i.e. for a minimum lease of 15 years without breaks and at a rent in excess of £215 per sqm. Whilst it is conceivable that rents for new space will increase above £215 per sqm and that a hypothetical tenant for 6,225 sqm might commit for 15 years, the commercial reality is that a hypothetical tenant will remain just that - hypothetical.
13. Whilst it is conceivable that a smaller office scheme could be developed on the site, the difficulty however is it would still need to be viable and work as a location for offices. As mentioned in our original representations, as an office

- location, the site is not easily accessible by car due to its position on the one way system and although it is near the Bus Terminal in the Mall Shopping Centre it is on the opposite side of the town centre to the railway station. As well as having to compete with Eclipse Park and Paul Sandy Court at Turkey Mill its location within the town centre is inferior to the existing good quality office space available at both Priory Gate and County Gate.
14. More importantly, in order to be viable any scheme on the site would need to produce a return on capital greater than that currently produced by the existing car park use. In the opinion of Bishop Whitehead, a small scale office scheme, even within a larger residential led mixed use development, could not produce the economies of scale necessary to meet these criteria and the development of office floorspace at the Mote Road site will remain unviable.
 15. In the plan period the most likely schemes to make development viable would be either a residential scheme or a mixed use scheme involving residential on the upper floors with a commercial element (leisure) at ground and perhaps first floor.
 16. London and Cambridge Properties Limited are currently in the process of drawing up a mixed use residential led development scheme, including leisure uses. At present, it is not considered viable to provide any office floorspace as part of this mixed use development.
 17. Therefore, in the meantime, the site should not be allocated in the plan to deliver any amount of office floorspace as there is no certainty or evidence to demonstrate that office floorspace can be viability delivered on the site.

Alternative Sites

18. It has also previously been demonstrated in the report by Bishop Whitehead that there are alternative sites more likely to be suitable, available and achievable in Maidstone. In particular, consideration should still be given to making an allocation at the King Street Car Park site, which is owned by Maidstone Borough Council where offices could be ancillary to a ground floor retail parade.

19. It is considered that the report prepared by Bishop Whitehead has demonstrated that the allocation of the site at Mote Road is not the most appropriate strategy when considered against the reasonable alternatives available in Maidstone to deliver additional office floorspace.

Summary

20. The modification of the Mote Road allocation from an employment allocation to a residential/mixed use allocation is obviously welcomed by the representors. However, it is considered that even with the level of office floorspace reduced to 'up to' 2,000sqm, the development of the Mote Road site would not be viable. It is considered that it has also been demonstrated that the continued allocation of the site at Mote Road to deliver an element of office floorspace is not the most appropriate strategy when considered against the reasonable alternatives available in Maidstone to deliver additional office floorspace.
21. It is considered that by continuing to expect the allocated site at Mote Road to deliver up to 2,000sqm, the Council are continuing to allocate office floorspace which they know is not viable and is not deliverable. There is currently no pre-let in place for the site and it is unlikely to attract a pre-let during the plan period and therefore, this severely questions the deliverability of any office floorspace at Mote Road. This is clearly not consistent with National Policy. Therefore, the main modification would not be consistent with National Policy.
22. In the plan period, the most likely schemes to make development viable would be either a residential scheme or a mixed use scheme involving residential on the upper floors with a commercial element (leisure) at ground and perhaps first floors.
23. London and Cambridge Properties Limited are currently in the process of drawing up a mixed use residential led development scheme, including leisure uses. At present, it is not considered viable to provide any office floorspace as part of this mixed use development.