

### **Decision Notice**

MC/11/0001



Serving You

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App's Name Countryside Properties

#### TOWN & COUNTRY PLANNING ACT 1990

## <u>Town & Country Planning (Development Management Procedure) (England) Order</u> 2010

Proposal: Outline application for residential (up to 336) dwellings and employment/service facilities, including commercial office/residential building (2500 sqm), and including full application for Phase 1 (except for the appearance of block A sub-phase 1A) for 154 dwellings, A1 retail and D1 community development, new highway accesses to Maidstone Road and Horsted Way, public open space and ancillary works

Location: Mid Kent College Site, Horsted Centre, Maidstone Road, Chatham, ME5 9UQ

#### Notification of Grant of Planning Permission to Develop Land

Take Notice that the Medway Council in pursuance of its powers under the above Act HAS GRANTED PERMISSION for the development of land as described above in accordance with your application for planning permission dated 31 December, 2010.

#### SUBJECT TO THE CONDITIONS SPECIFIED HEREUNDER:

(as amended by plans received on 1, 8, 10, 16, 24, 30 March 2011; 16 May 2011 and 1 June 2011)

Approval of the details of the layout, scale and appearance of the buildings, the means of access thereto and the landscaping (hereinafter called "the reserved matters for phase 2") (on drawing A227\_PL005A) for any sub-phase shall be obtained from the Local Planning Authority in writing before any development is commenced within that sub-phase of this phase of the development of the site.

Reason: To accord with the terms of the submitted application and to ensure that these details are satisfactory

Approval of the details of the appearance of the buildings (hereinafter called "the reserved matters for sub-phase 1a") (on drawing A227-PL005A) shall be obtained from the Local Planning Authority in writing before any development is commenced within this phase of the development of the site.

Reason: To accord with the terms of the submitted application and to ensure that these details are satisfactory

Plans and particulars of the reserved matters for phase 2 and sub phase 1A referred to in Conditions 1 and 2 above shall be submitted in writing to the Local Planning Authority for approval. Such applications for approval shall be made to the Authority before the expiration of three years from the date of this permission and the reserved matters for phase 2 and the reserved matters for phase 1A shall be carried out as approved.

Reason: To comply with Section 92(2) of the Town and Country Planning Act 1990.

The development to which this permission relates must be begun no later than the expiration of 2 years from the final approval of the reserved matters for either phase 2 or sub-phase 1A or in the case of approval on different dates, the final approval of the last such matter to be approved.

Reason: To comply with Section 92 of the Town and Country Planning Act 1990.

The development hereby permitted shall be carried out in accordance with the following approved plans:

| Drawing Number | Date Received    |
|----------------|------------------|
| PL001          | 31 December 2010 |
| PL002          | 31 December 2010 |
| PL003A         | 8 March 2011     |
| PL004D         | 16 May 2011      |
| PL005A         | 30 March 2011    |
| PL006          | 8 March 2011     |
| PL013B         | 1 June 2011      |
| PL020B         | 16 May 2011      |
| PL021C         | 16 May 2011      |
| PL022B         | 16 May 2011      |
| PL023C         | 16 May 2011      |
| PL024C         | 16 May 2011      |
| PL025C         | 16 May 2011      |
| PL026B         | 16 May 2011      |
| PL027C         | 16 May 2011      |
| PL028A         | 14 January 2011  |

PL029A 14 January 2011 31 December 2011 PL030 PL031 31 December 2011 PL034A 16 May 2011 PL035A 16 May 2011 PL036A 16 May 2011 PL037A 16 May 2011 16 May 2011 PL038A 31 December 2010 TC-PL-L001 TP-PL-L002 31 December 2010 LS-PL-L003 31 December 2010 E/208202 08 10 March 2011

Reason: For the avoidance of doubt and in the interests of proper planning.

Onless otherwise agreed by the Local Planning Authority, development other than that required to be carried out as part of an approved scheme of remediation must not commence within any phase or sub-phase until conditions 7 to 10 have been complied with for that phase or sub-phase. If unexpected contamination is found after development has begun, development must be halted on that part of the site affected by the unexpected contamination to the extent specified in writing by the Local Planning Authority until condition 10 has been complied with in relation to that contamination.

Reason: To ensure that the development is undertaken in a manner which acknowledges interests of amenity and safety in accordance with policy BNE23 of the Medway Local Plan 2003.

- An investigation and risk assessment, in addition to any assessment provided with the planning application, must be completed for each phase or sub-phase in accordance with a scheme to assess the nature and extent of any contamination on the site, including risks to groundwater, whether or not it originates on the site. The scheme shall be submitted to and approved in writing by the Local Planning Authority prior to the commencement of the relevant phase or sub phase of the development. The investigation and risk assessment must be undertaken by competent persons and a written report of the findings must be produced. The written report shall be submitted to and approved by the Local Planning Authority prior to the commencement of each phase or sub phase of the development. The report of the findings must include:
  - (i) a survey of the extent, scale and nature of contamination;
  - (ii) an assessment of the potential risks to:
  - human health
  - property (existing or proposed) including buildings, crops, livestock, pets, woodland and service lines and pipes.
  - adjoining land,

- groundwaters and surface waters,
- ecological systems,
- archeological sites and ancient monuments;

(iii) an appraisal of remedial options, and proposal of the preferred option(s).

This must be conducted in accordance with DEFRA and the Environment Agency's 'Model Procedures for the Management of Land Contamination, CLR 11'.

Reason: To ensure that the development is undertaken in a manner which acknowledges interests of amenity and safety in accordance with policy BNE23 of the Medway Local Plan 2003.

A detailed remediation scheme to bring each phase or sub phase of the site to a condition suitable for the intended use by removing unacceptable risks to human health, buildings and other property and the natural and historical environment must be prepared, and submitted to and approved in writing by the Local Planning Authority prior to commencement of each phase or sub phase of the development. The scheme must include all works to be undertaken, proposed remediation objectives and remediation criteria, timetable of works and site management procedures. The scheme must ensure that the relevant phase or sub-phase of the site will not qualify as contaminated land under Part 2A of the Environmental Protection Act 1990 in relation to the intended use of the land after remediation.

Reason: To ensure that the development is undertaken in a manner which acknowledges interests of amenity and safety in accordance with policy BNE23 of the Medway Local Plan 2003.

The approved remediation scheme must be carried out in accordance with its terms prior to the commencement of each phase or sub phase of the development (other than development required to enable the remediation process to be implemented) unless otherwise agreed in writing by the Local Planning Authority. The Local Planning Authority must be given not less than two weeks written notification prior to the commencement of the remediation scheme works.

Following completion of the measures identified in the approved remediation scheme, a verification report (referred to in PPS23 as a validation report) that demonstrates the effectiveness of the remediation carried out must be produced, and submitted to and approved in writing by the Local Planning Authority prior to the occupation of the relevant part of the development.

Reason: To ensure that the development is undertaken in a manner which acknowledges interests of amenity and safety in accordance with policy BNE23 of the Medway Local Plan 2003.

In the event that contamination is found at any time when carrying out the approved development that was not previously identified it must be reported in writing immediately to the Local Planning Authority. An investigation and risk assessment must be undertaken in accordance with the requirements of condition 7, and where remediation is necessary a remediation scheme must be prepared in accordance with the requirements of condition 8, which is subject to the approval in writing of the Local Planning Authority.

Following completion of the measures identified in the approved remediation scheme a verification report providing details of the data that will be collected in order to demonstrate that the works set out in condition 8 are complete and identifying any requirements for longer-term monitoring of pollutant linkages, maintenance and arrangements for contingency action must be prepared, which is subject to the approval in writing of the Local Planning Authority in accordance with condition 9.

Reason: To ensure that the development is undertaken in a manner which acknowledges interests of amenity and safety in accordance with policy BNE23 of the Medway Local Plan 2003.

No construction of any building shall commence on any phase or sub-phase until details and samples of all materials to be used on that building externally within that phase or sub-phase have been submitted to and approved in writing by the Local Planning Authority, and the development shall be carried out in accordance with the approved details.

Reason: To ensure that the appearance of the development is satisfactory and without prejudice to conditions of visual amenity in the locality, in accordance with Policy BNE1 of the Medway Local Plan 2003.

No development shall commence on any phase or sub-phase until there has been submitted to and approved in writing by the Local Planning Authority a plan indicating the positions, design, materials and type of boundary treatment to be erected within that phase or sub-phase The boundary treatment shall be completed before the buildings within that phase or sub-phase are occupied and shall thereafter be retained. Development shall be carried out in accordance with the approved details.

Reason: To ensure that the appearance of the development is satisfactory and without prejudice to conditions of visual amenity in the locality, in accordance with Policy BNE1 of the Medway Local Plan 2003.

13 Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) Order 1995 (or any order amending, revoking and re-enacting that Order with or without modification) no development shall be carried out within Classes A - H of Part 1 and Class A of Part 2 of Schedule 2 of that Order unless planning permission has been granted on an application relating thereto.

Reason: To enable the Local Planning Authority to control such development in the interests of amenity, in accordance with Policies BNE1 and BNE2 of the Medway Local Plan 2003.

14 No development shall commence within any phase or sub phase of the development hereby permitted, until a scheme for protecting the proposed development within that phase or sub phase from transport, including aircraft and airfield, related noise, has been submitted to and approved in writing by the Local Planning Authority. The scheme shall include details of acoustic protection sufficient to ensure internal noise levels (LAeq,T) no greater than 30dB in bedrooms and 35dB in living rooms with windows closed. Where the internal noise levels (LAeg,T) will exceed 30dB in bedrooms and 35dB in living rooms with windows open. the scheme shall incorporate appropriate attenuation measures. The scheme shall include details of acoustic protection sufficient to ensure private garden noise levels of not more than 55dB (LAeg,T). All works, which form part of the approved scheme, shall be completed before any part of the relevant phase or sub phase is occupied and shall thereafter be maintained in accordance with the approved details.

Reason: To safeguard conditions of amenity in accordance with policy BNE3 of the Medway Local Plan 2003.

No development shall commence within any phase or sub-phase until details of the proposed means of foul and surface water sewerage disposal relating to that phase or sub-phase have been submitted to and approved in writing by the Local Planning Authority and the development within that phase and sub-phase shall be carried out in accordance with these approved details and maintained thereafter.

Reason: To safeguard conditions of groundwater.

No development shall commence until details of water infrastructure plans have been submitted to, and approved in writing by, the Local Planning Authority. The development shall be implemented in accordance with the approved scheme and maintained thereafter.

Reason: To safeguard conditions of amenity

No development shall commence on any phase or sub-phase until a construction code of practice that describes measures to control noise and dust impacts arising from the construction phase of that particular phase or sub-phase of the development has been submitted to and approved in writing by the Local Planning Authority. The development shall be carried out in accordance with the approved plans and maintained thereafter.

Reason: To safeguard conditions of amenity in accordance with policy BNE2 of the Medway Local Plan 2003.

18 No development shall take place until the applicant, or their agents or

successors in title, has secured the implementation of a programme of archaeological work in accordance with a written specification and timetable which has been submitted to and approved by the Local Planning Authority.

Reason: To ensure that features of archaeological interest are properly examined and recorded in accordance with policy BNE21 of the Medway Local Plan 2003.

Within 6 months of commencement of any phase or sub-phase of the development a Parking Management Strategy, detailing the allocation of parking spaces to individual dwellings and other uses and the provision of unallocated parking spaces for general use within that phase or sub-phase, shall be submitted to and approved in writing by the Local Planning Authority.

Reason: to ensure an efficient and flexible parking arrangement that minimises overspill parking within the development, in the interests of highway and pedestrian safety in accordance with policy T13 of the Medway Local Plan 2003.

No development shall commence on any phase or sub-phase until details of cycle parking facilities for that phase or sub-phase have been submitted to and approved in writing by the Local Planning Authority. The cycle parking facilities shall thereafter be implemented in accordance with the approved details prior to first occupation of the relevant phase or sub-phase of the development and maintained thereafter.

Reason: In provide secure cycle parking in accordance with policy T4 of the Medway Local Plan 2003.

No development shall commence until measures to be undertaken to the protect the public water supply have been submitted to and approved in writing by the local planning authority. The development shall be carried out in accordance with the approved details and maintained thereafter.

Reason: To safeguard the public water supply.

Prior to first occupation of the development, details of the closure of existing vehicle crossings on Horsted Way, not required to facilitate access to the development, including reinstatement of full height kerbs and the provision of new sections of footway to tie in with the existing footway, shall be submitted to and approved in writing by the local planning authority. The development shall be carried out in accordance with the approved details and retained thereafter.

Reason: In the interests of pedestrian movement in accordance with policy T3 of the Medway Local Plan 2003.

No development shall commence on any phase or sub-phase until details of any highway infrastructure within that phase or sub-phase including

signing, road markings and street furniture have been submitted to and approved in writing by the Local Planning Authority prior to installation. All highway infrastructure shall thereafter be installed in accordance with the approved details and thereafter maintained.

Reason: To ensure that the development permitted does not prejudice conditions of highway safety or efficiency in accordance with policy T1 of the Medway Local Plan 2003.

No development shall commence on any phase or sub-phase until details of a lighting scheme for that phase or sub-phase have been submitted to and approved in writing by the Local Planning Authority. The lighting shall be installed prior to first occupation of any dwelling on the relevant phase or sub-phase and be made available for use in accordance with the approved details and maintained thereafter.

Reason: To safeguard conditions of amenity within the scheme of development permitted in accordance with Policy BNE5 of the Medway Local Plan 2003.

Prior to the commencement of plots 105,106, 107 details of a scheme to provide a domestic sprinkler system or an operational fire hydrant to serve these plots shall be submitted to and approved in writing by the local planning authority. The approved scheme shall be installed prior to first occupation of any of the dwellings on the relevant plot and shall thereafter be maintained.

Reason: To safeguard conditions of amenity

No development shall take place on any phase or sub-phase until there has been submitted to and approved in writing by the Local Planning Authority a scheme of landscaping (hard (excluding any details submitted under condition 23) and soft) and boundary treatment for that phase or sub-phase to include both the application site and the strip of land between the northern boundary and the perimeter ditch of Fort Horsted. All planting, seeding and turfing comprised in the approved scheme of landscaping shall be implemented during the first planting season following occupation of the buildings or completion of the development, whichever is the earlier. Any trees or plants which within 5 years of planting are removed or become seriously damaged or diseased shall be replaced in the next planting season with others of a similar size and species, unless the Authority gives written consent to any variation.

Reason: Pursuant to condition 197 of the Town and Country Planning Act 1990 and to protect and enhance the appearance and character of the site and locality, in accordance with Policy BNE1 and BNE6 of the Medway Local Plan 2003.

A landscape management plan, including long term design objectives, management responsibilities and maintenance schedules for all

landscape areas, including the land between the northern boundary and the perimeter ditch, other than small, privately owned, domestic gardens, shall be submitted to the Local Planning Authority for approval in writing prior to the occupation of each phase or sub-phase of the development. The landscape management plan shall be carried out as approved.

Reason: Pursuant to condition 197 of the Town and Country Planning Act 1990 and to protect and enhance the appearance and character of the site and locality, in accordance with Policies BNE1 and BNE6 of the Medway Local Plan 2003.

No development shall commence on any phase or sub-phase until details of the 'Local Area Play' (LAPS) and Local Equipped Area Play (LEAPS) for that relevant phase or sub-phase submitted to and approved in writing by the Local Planning Authority. These details shall include the location of any play equipment to be installed in these areas and a management programme for the maintenance and upkeep of these spaces. The development shall be carried out in accordance with the approved details and maintained as such.

Reason: In the interests of amenity in accordance with policies BNE1 and BNE2 of the Medway Local Plan 2003.

None of the buildings hereby permitted shall be occupied until underground ducts have been installed by the developer to enable telephone, electricity and cable television services to be connected to any premises within the site without recourse to the erection of distribution poles and overhead lines and notwithstanding the provisions of the Town and Country Planning (General Permitted Development) Order 1995 (or any Order amending, revoking and re-enacting that Order), no distribution pole or overhead line shall be erected within the area except with the express written consent of the Local Planning Authority.

Reason: To ensure all services are provided underground in the interest of visual amenity of the area in accordance with policy BNE1 of the Medway Local Plan 2003.

No development shall commence on any phase or sub-phase until details of the gating to the alleys, including their design and management (which will details who holds keys and has responsibility for then) for the relevant phase or sub-phase have been submitted to and approved in writing by the Local Planning Authority. The approved scheme of gating shall be implemented prior to first occupation of the relevant units and shall thereafter be maintained.

Reason: To ensure that the development is undertaken in a manner which acknowledges interests of amenity and safety.

Prior to the first occupation of each individual building within a phase or sub-phase of the development hereby permitted details of the refuse storage arrangements for that building, including provision for the storage

of recyclable materials, shall be submitted to and approved in writing by the Local Planning Authority. Except with the prior written approval of the Local Planning Authority, no building within a phase or sub-phase shall be occupied until the approved refuse storage arrangements for that building are in place and all approved storage arrangements shall thereafter be retained.

Reason: In the interests of visual amenity and to ensure a satisfactory provision for refuse and recycling in accordance with Policy BNE2 of the Medway Local Plan 2003.

No development shall commence within sub-phase 1A until a scheme of CCTV to monitor development within sub-phase 1A has been submitted to and approved in writing by the Local Planning Authority. The development shall be undertaken in accordance with the approved details and retained thereafter.

Reason: To safeguard conditions of amenity

No development shall commence until details of a watching brief for the presence of bats and a dawn and dusk survey have been submitted to and approved in writing by the Local Planning Authority. The development shall be carried out in accordance with the approved details and thereafter retained.

Reason: In the interests of ecology in accordance with policy BNE37 of the Medway Local Plan 2003.

No development shall commence on any phase or sub-phase until details of existing and proposed site levels including cross sections through the site of that phase or sub-phase have been submitted to and approved in writing by the Local Planning Authority. The development shall be undertaken in accordance with the approved details and maintained thereafter.

Reason: In the interests of visual amenity in accordance with policy BNE1 of the Medway Local Plan 2003.

Within six months of first occupation of any phase or sub-phase of the development hereby permitted, a revised and updated Travel Plan for that particular phase or sub phase shall be submitted to the Local Planning Authority for approval. The updated Travel Plan shall include, as a minimum, details of:

- The first on-site Travel Survey
- The appointed Travel Plan Coordinator
- The 'Green Travel' promotional pack
- The implementation of measures to reduce car use, contained within the Travel Plan submitted with the planning application
- Details of a car club to be established on the site providing at least 1 car for 5 years after first occupation

A programme for monitoring and reviewing the Travel Plan

The updated Travel Plan shall thereafter be implemented for five years from the occupation of the last unit in accordance with the approved details.

Reason: to ensure a sustainable development that accords with Policy T14 of the Medway Local Plan 2003.

The community use (D1) hereby permitted shall only operate between the hours of 09:00 to 21:00 Mondays to Fridays inclusive and between the hours of 09:00 to 22:00 on Saturdays and 09:00 to 22:00 on Sundays and, Bank Holidays.

Reason: To regulate and control the permitted development in the interests of amenity in accordance with Policy BNE2 of the Medway Local Plan 2003.

The retail use (A1) hereby permitted shall only operate between the hours of 07:00 to 21:00 Mondays to Saturdays inclusive and between the hours of 09:00 to 20:00 on Sundays and, Bank Holidays.

Reason: To regulate and control the permitted development in the interests of amenity in accordance with Policy BNE2 of the Medway Local Plan 2003.

The details submitted in pursuance of Condition 1 for phase 2 shall show land reserved for parking or garaging in accordance with the adopted Parking Standards. No building shall be occupied until the parking area relating to it has been provided, surfaced and drained in accordance with the approved details. Thereafter no permanent development, whether or not permitted by the Town and Country Planning (General Permitted Development) Order 1995 (or any order amending, revoking and re-enacting that Order) shall be carried out on the land so shown or in such a position as to preclude vehicular access to the reserved vehicle parking area.

Reason: Development without provision of adequate accommodation for the parking or garaging of vehicles is likely to lead to hazardous on-street parking and in accordance with Policy T13 of the Medway Local Plan 2003.

The residential and commercial development hereby approved shall not be occupied, until the area shown on the submitted layout as vehicle parking space and garaging for the relevant building has been provided, surfaced and drained. Thereafter it shall be kept available for such use and no permanent development, whether or not permitted by the Town and Country Planning (General Permitted Development) Order 1995 (or any order amending, revoking or re-enacting that Order) shall be carried out on the land so shown or in such a position as to preclude vehicular access to this reserved parking space and garaging.

Reason: Development without provision of adequate accommodation for the parking or garaging of vehicles is likely to lead to hazardous on-street parking and in accordance with Policy T13 of the Medway Local Plan 2003.

All non-residential buildings within the development shall achieve a minimum rating of "Very Good" against the BREEAM Industrial, Offices or Retail Assessment as applicable (or an equivalent rating in any subsequent replacing standard that has been agreed in writing by the Local Planning Authority). Prior to the commencement of any phase or sub-phase of the development hereby permitted that contains non-residential buildings, a design stage certificate confirming the rating that will be achieved shall be submitted to and approved in writing by the Local Planning Authority. The development shall be carried out in accordance with the approved details unless any variation has been approved in writing by the Local Planning Authority.

Reason: To safeguard conditions of amenity within the scheme of development permitted and to promote the development of sustainable forms of development.

The details submitted in pursuance to Condition 1 for phase 2 of the development hereby permitted shall include a proposal for a B1 commercial unit unless otherwise agreed in writing by the Local Planning Authority.

Reason: To allow the development of the site to respond to market conditions.

Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) Order 1995 (or any order revoking and re-enacting that Order with or without modification) no windows or similar openings shall be constructed in the buildings other than as hereby approved without the prior written approval of the Local Planning Authority

Reason: To enable the Local Planning Authority to regulate and control any such further development in the interests of amenity and privacy of adjoining property, in accordance with Policy BNE2 of the Medway Local Plan 2003.

- In this Condition "retained tree" means an existing tree which is to be retained in accordance with the approved plans and particulars; and paragraphs a) and b) below shall have effect until the expiration of 5 years from the date of occupation of the building for its permitted use.
  - a) No retained tree shall be cut down, uprooted or destroyed, nor shall any retained tree be pruned other than in accordance with the approved plans and particulars, without the written approval of the Local Planning Authority. Any pruning approved shall be carried

out in accordance with British Standard 3998 (Tree Work).

- b) If any retained tree is removed, uprooted or destroyed or dies, another tree shall be planted at the same place and that tree shall be of such size and species, and shall be planted at such time as may be specified in writing by the Local Planning Authority.
- c) The erection of fencing for the protection of any retained tree shall be undertaken in accordance with the approved plans and particulars before any equipment, machinery or materials are brought on to the site for the purposes of the development, and shall be maintained until all equipment, machinery and surplus materials have been removed from the site. Nothing shall be stored or placed in any area fenced in accordance with this Condition and the ground levels within those areas shall not be altered, nor shall any excavation be made without the written consent of the Local Planning Authority.

Reason: Pursuant to condition 197 of the Town and Country Planning Act 1990 and to protect and enhance the appearance and character of the site and locality, in accordance with Policy BNE1 and BNE6 of the Medway Local Plan 2003.

No development on phase 1A shall commence until a scheme to minimize the transmission of noise from the use of the class A1 and D1 premises hereby approved, has been submitted to and approved in writing by the Local Planning Authority. Noise from the premises should be controlled, such that the noise rating level (LAr,Tr) emitted from the development of those premises does not exceed the background noise level (LA90,T), by more than 3Db. All measurements shall be defined and derived in accordance with BS4142: 1997. All works which form part of the approved scheme shall be completed before any part of the relevant A1 or D1 premises are occupied and shall thereafter be maintained in accordance with the approved details.

Reason: To protect the residential amenities of prospective occupiers in accordance with Policy BNE2 of the Medway Local Plan 2003.

No commercial goods related to the A1, B1 or D1 uses hereby approved, shall be loaded, unloaded, stored or otherwise handled and no delivery vehicles shall arrive or depart, within the application site outside the hours 07:00 to 19:00 Monday to Friday, 08:00 to 18:00 Saturday or at any time on Sunday or Bank Holidays.

Reason: To protect the residential amenities of prospective occupiers in accordance with Policy BNE2 of the Medway Local Plan 2003

Notwithstanding the submitted plans, prior to the commencement of development a scheme outlining the phases and sub phases through which the scheme will be implemented shall be submitted to and approved in writing by the Local Planning Authority. Where conditions

1-45 require additional details to be submitted prior to commencement of any sub-phase, they shall be submitted to and approved in writing by the local planning authority prior to the commencement of development on that sub-phase as defined in the approved scheme.

Reason: To ensure a phased discharge of conditions.

Prior to the construction of any roads or buildings within 10 metres of the main block within Sub-Phase 1A, details of a covered porch to allow vehicles to collect and discharge passengers under cover together with details of the internal layout of the extra care units shall be submitted to and approved in writing by the Local Planning Authority. The development shall be carried out in accordance with the approved plans and retained thereafter.

Reason: To ensure the affordable housing component of the scheme can be delivered.

Where conditions 1-47 above require further details to be submitted and approved prior to the commencement of development, this means commencement of the development on the site by the carrying out of a material operation within the meaning of section 56(4) of the Planning Act but excluding any archaeological works, excavations, decontamination works, demolition or other investigations, services diversions infrastructure and/or the erection of any hoarding's and/or temporary buildings compounds or structures of whatsoever nature.

Reason: To assist with satisfactory delivery of the development.

#### Your attention is drawn to the following informative(s):-

The applicant / developer should enter into a formal agreement with Southern Water to provide the necessary sewerage infrastructure required to service this development.

A formal application for connection to the public sewerage system is required in order to service this development.

The applicant is reminded that any alterations to the approved plans required in association with S.78/S.278 works will need to be approved in writing by the Local Planning Authority prior to construction, with subsequent alterations carried out in accordance with the approved details.

There should be no discharge into land impacted by contamination or land previously identified as being contaminated. There should be no discharge to made ground. There must be no direct discharge to groundwater, a controlled water.

Only clean uncontaminated water should drain to the surface water system. Roof drainage shall drain directly to the surface water system (entering after the pollution prevention measures). Appropriate pollution control methods (such as trapped

gullies and interceptors) should be used for drainage from access roads and car parking areas to prevent hydrocarbons from entering the surface water system.

To tackle climate change it is necessary to reduce energy use by adopting more efficient technologies. As such, the Environment Agency welcomes the inclusion of efficiency measures / renewable energy within this development. Water conservation techniques should be incorporated into the design of all new developments.

The Environment Agency 'Guide for Developers' is designed to give practical advice on the environmental issues that may affect the site and provides some examples of sites where good practice has already been applied. Some of the topics covered in the guide include, managing the risk of flooding, using water wisely, wildlife & green space, managing waste and land affected by contamination. You can find this guide and links to further information at

www.environment-agency.gov.uk/developers

The applicant is informed that if Phase 1 and / or sub phase 1A are delivered in advance of Phase 2, Condition 14 outlined on this decision notice requires either further survey work to be undertaken to ensure the specified noise levels within Phase 1 and sub phase 1A are not exceeded without Phase 2 being implemented or an interim scheme be developed and implemented on site for the protection of these areas of the development from transport related noise in the absence of Phase 2. Any interim scheme must provide noise mitigation sufficient to achieve the protection outlined in Condition 14.

The applicant is informed that demolition of the existing buildings on site can take place in advance of the submission of applications to discharge conditions 6 - 10 on this planning permission.

This planning decision also relates to drawing numbers: -

PL040A 1 March 2011
PL041A 1 March 2011
SK01 Rev A 31 December 2010
SK16 Rev C 16 March 2011
SK21 received 31 December 2010

And the following reports received on 31 December 2010 unless otherwise stated: -

Sustainability Assessment
Assessment of Economic Viability and Affordable Housing Provision
Viability Report for Commercial Business Uses
Planning & Regeneration Statement
Statement of Community Consultation
Site Investigation Report
Archaeological Desk Based Assessment
Air Quality Impact Assessment Report 2010
Ecological Impact Assessment Report 2010
Safety Audit Response Sheet

Stage 1 Road Safety Audit Transport Statement Travel Plan

Addendum to Flood Risk Assessment

Noise Impact Assessment received on 14 January 2011

Bat Survey Report received on 23 February 2011

Air Quality Impact Assessment Report 2011 received on 14 January 2011

EIA Screening Report received 2 February 2011 Density Assessment received on 9 March 2011

Response to Standard Objection Letter received on 14 March 2011

Comments on English Heritage Representation received on 10 March 2011 Applicant's response to the concerns raised at the Planning Committee of 30

March 2011 received on 16 May 2011

Computer Generated Images received on 1 June 2011

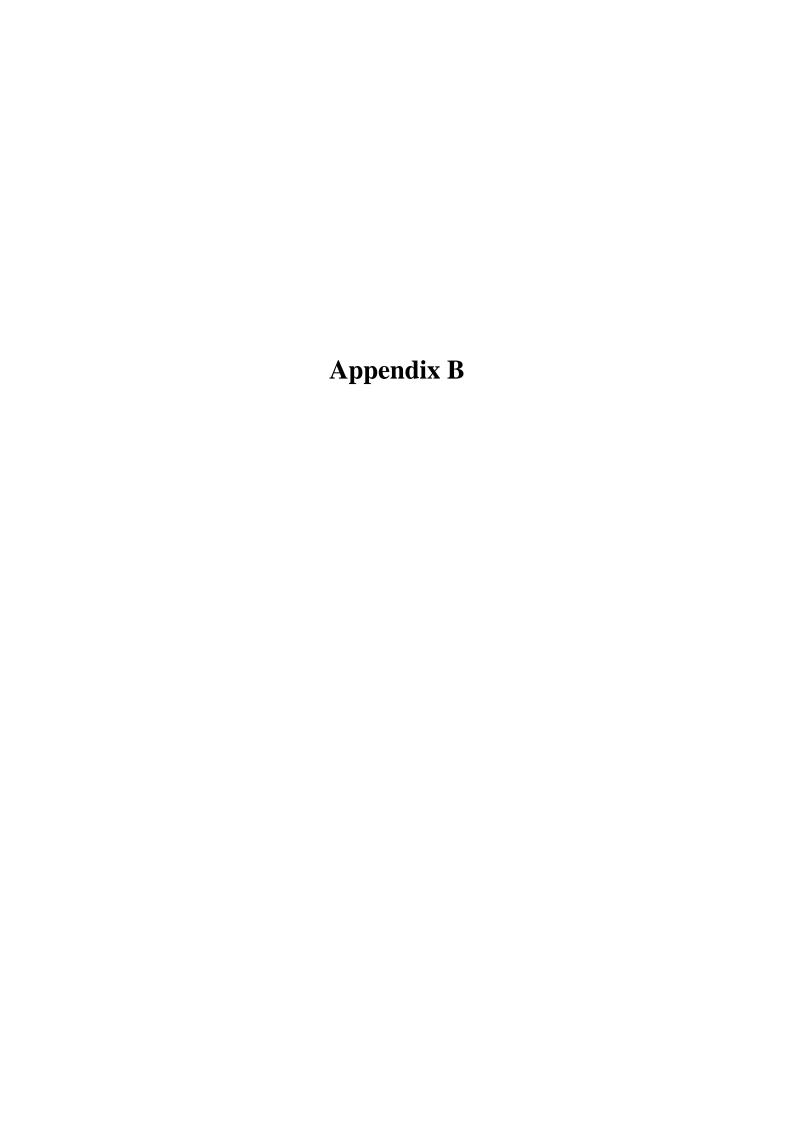
Signed

**David Harris** 

**Development Manager** 

Date Of Notice 30 September, 2011

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## Part B - Please use a separate sheet for each representation

| Paragraph  | Policy                     | CS15              | Proposals<br>Map,<br>Figure or<br>Table. |                     |
|--|----------------------------|-------------------|--|---------------------|
| 4. Do you conside                                      | r the DPD is:              |                   |  |                     |
| 4.(1) Legally comp                                     | oliant                     | Yes               |  | No                  |
| 4.(2) Sound .  |                            |                   |  | 1                   |
| 'Guidance Notes  If you have entere  5. Do you conside | ed <b>No</b> to 4.(2), ple | ase continue to C | 5. In all other circumst                 | ances, please go to |
| (1) Justified  |                            |                   |  |                     |
|  |                            |                   |  |                     |
| (2) Effective  |                            |                   |  |                     |

| The criterion in draft policy CS15 that schemes should comply with the new Medway Housing Design standards is too rigid. The Standards provide guidance which should inform the design process, but not dictate it.  |
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|  |
|  |
|  |
|  |
| 7. Please set out what change(s) you consider necessary to make the DPD legally compliant<br>or sound, having regard to the test you have identified at 5 above where this relates to<br>soundness. You will need to say why this change will make the DPD legally compliant or<br>sound. It will be helpful if you are able to put forward your suggested revised wording of<br>any policy or text. Please be as precise as possible. |
| The relevant sentence in Policy CS15 should be amended to state: "Housing has regard to the space and other standards laid down in the Medway Housing Design Standards".   |
|  |
|  |
|  |
| Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested change.   |

Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested change, as there will not normally be a subsequent opportunity to make further representations at the submission stage.

After this stage, further submissions will be only at the request of the Inspector, based on the matters and issues he identifies for examination.

Please be as precise as possible.

box to set out your comments.

## Part B - Please use a separate sheet for each representation

| Paragraph  | 10.46   | Policy  |                              | Proposals<br>Map,<br>Figure or<br>Table. | Table 10.8         |
|--|---|---|------------------------------|--|--------------------|
| 4. Do you c  | onsider the   | DPD is:   |                              |  |                    |
| 4.(1) Legall                                       | y compliant   |   | Yes                          |  | No                 |
| 4.(2) Sound  | ı.*   |   |                              |  | <b>✓</b>           |
|  |   |   |                              |  |                    |
| Statement<br>'Guidance                             | t 12 in parag<br>Notes for S                                  | relation to the DPD raphs 4.36 – 4.47, ubmitting Represer to 4.(2), please co | 4.51 and 5.52 and tations'). | I the boxed tex                          |                    |
| Statement<br>'Guidance<br>If you have              | t 12 in parag<br>Notes for So<br>e entered <b>No</b>          | raphs 4.36 – 4.47,<br>ubmitting Represer                                      | 4.51 and 5.52 and tations'). | I the boxed tex                          | t. (See associated |
| Statement<br>'Guidance<br>If you have              | t 12 in parag<br>Notes for So<br>e entered No<br>consider the | raphs 4.36 – 4.47,<br>ubmitting Represer<br>to 4.(2), please co               | 4.51 and 5.52 and tations'). | I the boxed tex                          | t. (See associated |
| Statement<br>'Guidance<br>If you have<br>5. Do you | t 12 in parag<br>Notes for So<br>e entered No<br>consider the | raphs 4.36 – 4.47,<br>ubmitting Represer<br>to 4.(2), please co               | 4.51 and 5.52 and tations'). | I the boxed tex                          | t. (See associated |

If you wish to support the legal compliance or soundness of the DPD, please also use this

Table 10.8 refers to the provision of 2480m2 of employment floorspace on site 0470 (Mid Kent College, Horsted, Maidstone Road, Chatham).

There can be no expectation that this will be provided in accordance with Para 10.46. Any such expectation would not be consistent with the substantial evidence submitted in 2010 with the planning application for the redevelopment of the site, which has been granted and is currently being implemented, and which demonstrates that such provision would be unviable in current market conditions which have little prospect of improvement even in the medium term.

Although the planning permission allows the construction of an office building of this size in its second phase, in recognition of the market difficulties, it includes a condition that enables it to be deleted when the phase 2 details are brought forward. In these circumstances there can be no expectation that it will be provided. Nor is such provision necessary to provide local employment given there is a substantial amount of land available for such development at the BAE Systems site on the west side of Maidstone Road.

7. Please set out what change(s) you consider necessary to make the DPD legally compliant or sound, having regard to the test you have identified at 5 above where this relates to soundness. You will need to say why this change will make the DPD legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

The reference to the provision of 2480m2 of employment floorspace on site 0470 (Mid Kent College, Horsted, Maidstone Road, Chatham), should be deleted.

Please note your representation should cover succinctly all the information, evidence and supporting information necessary to support/justify the representation and the suggested change, as there will not normally be a subsequent opportunity to make further representations at the submission stage.

After this stage, further submissions will be only at the request of the Inspector, based on the matters and issues he identifies for examination.

# Appendix C

### FORMER MID KENT COLLEGE SITE HORSTED CHATHAM

## VIABILITY REPORT FOR COMMERCIAL BUSINESS USES (EXCLUDING INDUSTRIAL OR WAREHOUSING)

#### 1.0 AUTHOR:

- 1.1 This report has been prepared by N.W. Threlfall BS: FRCS, Managing Director of Watson Day Chartered Surveyors. The practice was founded in 1989 in Chatham by the current four directors, who are all chartered surveyors.
- 1.2 The practice specialises in all aspects of commercial property consultancy including vacant possession and investment agency and a specialised professional department handling rent reviews, lease renewals, valuations, compulsory purchase, rating, expert witness cases and other professional matters. The practice also has an active property management department and accepts LPA Receivership appointments and arbitration appointments from the Royal Institution of Chartered Surveyors.
- 1.3 The firm operates from a centrally based office at Lordswood, Chatham, close to Junction 3 of the M2, covering the entirety of Kent.
- 1.4 Following graduation from Portsmouth Polytechnic, I spent the first 8 years of my career with Kent County Council before joining Ward & Partners (subsequently Prudential Commercial) in 1987 at Chatham. I have had the role of managing director of Watson Day since forming the practice in 1989 with particular responsibility for agency, development, professional matters and client liaison. In particular, I specialise in office agency and have advised both developers and occupiers on a substantial number of schemes in the Chatham Maritime, Kings Hill and Crossways Business Parks as well as other sites across the Medway towns and Maidstone. I am therefore particularly well placed to comment on office and similar uses.
- 1.5 I advise many local organisations on office property including Medway Council.

#### 2.0 LOCATION:

- 2.1 The former Mid Kent College site enjoys a strategic location on the east side of the A229 Chatham to Hastings Road at its junction with the A230 Maidstone Road some 2 miles south of Chatham town centre and approximately 1 mile north of Junction 3 of the M2.
- 2.2 The site comprises 20 acres (8.11 hectares) acres and is covered in a series of buildings that were formerly the Mid Kent College site which has relocated to a new campus.
- 2.3 A considerable part of the site is to be redeveloped for residential purposes. The local planning authority also wish to see an element of community use within the site. The Council also currently seeks an element of employment (particularly office) use in the south western corner of the site, fronting the A229. This report seeks to explore and comment upon a number of potential opportunities:-

#### 3.0 OFFICE MARKET OVERVIEW

- 3.1 The business unit and office market in Medway has four distinct tiers. Primary space is located at Chatham Maritime. The best rents achieved at the top of the market in 2007 was £19.00 per sq. ft. although this has now fallen. Sgnificant marketing voids and incentive packages have to be allowed for. The supply of new product in this location has now been exhausted but a considerable quantity of modern second hand space is now available.
- 3.2 This comprises, inter alia, Colonial House of 157,000 sq. ft., a purpose built headquarters building constructed in 1992 together with Royal Sovereign House (28,000 sq. ft.) and Queen Charlotte House (14,000 sq. ft.) in the Quayside scheme. Furthermore, the former Micro Medical Building, Quayside of 20,000 sq. ft. has just come to the market.
- 3.3 In addition, the 33,000 sq. ft. Compass South building is available together with Unit B Compass Centre of 4,000 sq. ft. and the first floor of The Observatory, some 7,000 sq. ft. My firm is instructed on all of these properties.
- 3.4 The second tier are offices built in the late 1980's and early 1990's located at Gillingham Business Park, close to Junction 4, M2. These buildings tend to be to a lesser specification comprising gas fired central heating and generally do not have raised floors. The rental tone today is in the region of £10.00 £12.00 per sq. ft. Historically, supply is relatively limited although both Chambros House (13,000 sq. ft.) and 2 Ambley Green (10,000 sq. ft.) are currently available together with two units in The Courtyard scheme.

- 3.5 The third tier comprises the office and business unit development that has taken place at Medway Oty Estate since the late 1980's. The Estate totals some 2 million sq. ft. of commercial space, of which approximately 200,000 sq. ft. is pure offices and a further 200,000 sq. ft. comprise business units. Rents for pure office accommodation range between £7.00 £9.00 per sq. ft. net lettable. Most buildings have raised floors and electric storage heating. Rents for business units on Medway Oty Estate are in the range of £6.50 £7.00 per sq. ft. gross internal, with the rent calculated over both floors.
- 3.6 The final tier of supply is existing town centre accommodation. This comprises three multi-storey buildings in Chatham, Mountbatten House, Victory House and Anchorage House together with one purpose built scheme Sun Pier constructed in the mid 1980's, together with various other small suites of offices, very often above ground floor retail.
- 3.7 The whole of Mountbatten House of 84,000 sq. ft. is currently available as are 3 floors in Anchorage House and one floor in Victory House. Rental levels for multistorey buildings range from circa £5.00 per sq. ft. for Anchorage House to £11.50 per sq. ft. for Victory House which incorporates raised floors, air conditioning and on site car parking following a substantial refurbishment in the early 1990's. Rents at Sun Pier are in the region of £8.00 £9.00 per sq. ft. for modern 1980's accommodation whereas rents for offices above retail are in the region of £4.00 £6.00 per sq. ft.

| PROPERTY          | TOTAL ACCOMODATION | AMOUNT AVAILABLE |
|-------------------|--------------------|------------------|
| Mountbatten House | 84,000 sq. ft.     | 84,000 sq. ft.   |
| Victory House     | 45,000 sq. ft.     | 4,400 sq. ft.    |
| Anchorage House   | 50,000 sq. ft.     | 15,600 sq. ft.   |
| Total             | 179,000 sq. ft.    | 104,000 sq. ft.  |

- 3.8 There has been virtually no speculative development in Medway in the office sector for many years, apart from Chatham Maritime, where this has occurred purely as a result of the substantial capital allowances that were available under the former Enterprise Zone schemes. It was this scheme that promoted the development of Medway City Estate and Gillingham Business Park in earlier years.
- 3.9 Outside of the tax benefit areas, there has been no recent speculative development of offices or business units in the Medway area apart from Medway Council constructing the Medway Innovation Centre (MIC2). Speculative development in Medway has been confined to warehouse/light industrial units, which has been particularly successful, with base rents for new units of 2,000 sq. ft. at around £8.00 per sq. ft. gross internal reducing to £6.50 per sq. ft. for a 12,000 sq. ft. unit. No significant speculative development has taken place in the last 3 years.

3.10 There has been no development of small office units on a freehold basis in recent years. The quantity of void space at Chatham Maritime of slightly in excess of a quarter of a million sq. ft. represents a significant percentage of the office stock at the Maritime. I calculate that some 266,000 sq. ft. is currently available out of a purpose built stock of 534,000 sq. ft., representing 49.8% of that stock. The stock is supplemented by the original Royal Naval buildings currently in use by the Universities which we understand amount to approximately 300,000 sq. ft.

| BUILDING                 | TOTAL FLOOR SPACE | AVAILABLE FLOOR SPACE |
|--------------------------|-------------------|-----------------------|
| Colonial House           | 157,000 sq. ft.   | 157,000 sq. ft.       |
| Quayside (Micro Medical) | 20,000 sq. ft.    | 20,000 sq. ft.        |
| Quayside House           | 12,000 sq. ft.    | 0                     |
| Royal Sovereign House    | 29,000 sq. ft.    | 29,000 sq. ft.        |
| Queen Charlotte House    | 14,000 sq. ft.    | 14,000 sq. ft.        |
| Prince Regent House      | 17,000 sq. ft.    | 0                     |
| Montague Place           | 6,000 sq. ft.     | 0                     |
| Victory House            | 10,000 sq. ft.    | 2,000 sq. ft.         |
| Compass South            | 33,000 sq. ft.    | 33,000 sq. ft.        |
| Compass North (Unit A)   | 7,000 sq. ft.     | 0                     |
| Compass North (Unit B)   | 4,000 sq. ft.     | 4,000 sq. ft.         |
| Compass North (Unit C)   | 4,000 sq. ft.     | 0                     |
| Compass North (Unit D)   | 4,000 sq. ft.     | 0                     |
| Compass North (unit E)   | 11,000 sq. ft.    | 0                     |
| The Observatory          | 21,000 sq. ft.    | 7,000 sq. ft.         |
| 30 Pembroke Court        | 35,000 sq. ft.    | 0                     |
| 50 Pembroke Court        | 51,000 sq. ft.    | 0                     |
| Broadside (mhs homes)    | 42,000 sq. ft.    | 0                     |
| Lloyds of London         | 27,000 sq. ft.    | 0                     |
| Xchanging Services       | 27,000 sq. ft.    | 0                     |
| Captains House           | 3,000 sq. ft.     | 0                     |
| Total                    | 534,000 sq. ft.   | 266,000 sq. ft.       |

- 3.11 Demand for offices in the Medway area is very constrained at present. Demand historically has come from the financial services sector. This is evidenced by Chatham Maritime occupiers including Lloyds of London, Xchanging Services, Nat West, Vanquis Bank and Steria. In addition to the universities, the public sector is represented by the Border & Immigration Agency (BIA), Medway PCT, NHS Direct, CAFCASS, Insolvency Service etc. MHS Homes, a substantial social home provider, have developed their headquarters building in the Maritime whilst other occupiers include two firms of chartered accountants, and Emerson.
- 3.12 At present, demand is heavily subdued across all office sectors in the Medway towns and indeed throughout the Kent market. Typically, transactions are occurring at the budget end of the market in basic space at low rents.

- 3.13 The evolving market over the last two years and since the peak levels achieved in 2007 has put tremendous pressure on rental transactions. Whilst headline rentals have largely remained unaltered or have reduced in the office sector perhaps by no more than 10 15%, the incentives required to complete transactions have increased significantly. It is not untypical now for the incentive on a 10 year lease term to be between 12 24 months, and on a 5 year term to be between 9 12 months.
- 3.14 The effect on yields since the peak of the market has been very significant. Typically, owner occupier accommodation at the height of the market would reflect yields of around 7% for good modern stock in manageable lot sizes. This is a multiplier of some 14 times rent. Of recent transactions we have analysed, yields appear to be now in the range of 8.5 9% i.e. 11/12 times rental.

#### 3.15 Bank Funding

Bank funding has become notoriously difficult over the last 2 years.

At the peak in 2007, policy was generally to loan 70% of the property valuation figure. Bearing in mind that capital levels have generally reduced by some 25 – 30% in the office sector, we understand from transactions where we have been negotiating, that banks are now seeking to lend a maximum of 60% loan to value in many cases.

3.16 Whilst commercial property has therefore become more affordable, in reality it is less affordable due to the higher deposits that are now required. In addition to this, banks are being much stricter over their criteria for lending and are placing many obstacles in the way of parties seeking to obtain a mortgage. All this significantly increases the downward pressure on prices that can be obtained and this would seriously impact the potential prices that could be achievable in any speculative owner occupied scheme.

#### 4.0 POTENTIAL FORMS OF DEVELOPMENT:

#### 4.1 Traditional Office Buildings

- 4.1.1 The site could be developed to form a single office structure providing some 17,500 sq. ft. (1625 m²) of office accommodation over 2 or 3 floors. This would necessitate floor plates of around 6,000 sq. ft. net over 3 floors or 9,000 sq. ft. net over 2 floors.
- 4.1.2 It is clear that office occupiers prefer to coexist alongside each other in anything other than town centre locations, where generally they would be grouped together in a central business district.

- 4.1,3 Chatham Maritime is a good example where various different office occupiers including Nat West, Vanquis Bank, Medway PCT, Lloyds of London and Xchanging Services occupy sites adjoining each other. Smilarly, the Oaks Business Village at Lordswood, where this practice is based, comprises 12 separate office buildings.
- 4.1.4 It is extremely difficult to persuade larger office occupiers to select solus sites with no similar neighbouring users. This is for a number of reasons including the lack of close-by facilities, such as bars and restaurants to visit during lunchtime hours and support facilities generally sought by office occupiers. There is therefore likely to be somewhat of a reticence from office occupiers to consider a solus site.
- 4.1.5 Furthermore, my client has produced a development appraisal for a single unit office scheme of 17,500 sq. ft. net, using entirely realistic rentals and yields. This, when combined with realistic assumptions in terms of voids and marketing, shows the scheme not to be viable. A copy of this appraisal is attached at Appendix 1.
- 4.1.6 Whilst this is an excellent strategic location, I consider that the proposal is unviable in current market conditions. There is little prospect to suggest this will improve in the medium term and I would not recommend proceeding with this use.

#### 4.2 Office Village

- 4.2.1 The attractions of an office village are obvious. The Oaks Business Park at Revenge Road, Lordswood is the nearest local example and indeed the only example in Chatham. The 12 units totalling approximately 30,000 sq. ft. were constructed speculatively in 1991 on the edge of the Lordswood commercial area with road access via the Walderslade periphery road to Junction 3 of the M2 taking approximately 5 minutes.
- 4.2.1 Following the construction of the units, the developer ceased trading. The buildings were eventually either let or sold over the following 5 year period with the site being fully occupied from about 1997. Typically, rents today are in the region of £9.00 per sq. ft.
- 4.2.3 There is one other office village scheme in the Medway towns at The Courtyard, Gillingham Business Park. This scheme was also speculatively developed and completed in 1991. It comprises 8 buildings totalling 30,000 sq. ft. net. The units were originally marketed at £17.00 per sq. ft. and by the mid 1990's only some 30% of the scheme was occupied. The landlords adopted a very aggressive letting policy in 1997 by reducing the rents to £9.95 per sq. ft. (some 40% below the original quoting rents) which led to occupation over the following 2 years. There are two units vacant in the scheme today where rents are in the region of £12.50 per sq. ft.

- 4.2.4 The financial omens therefore for an office village development are not good. I consider that the site location is excellent for this type of proposal and indeed in 2007 the prospects for such a scheme looked favourable, with this practice advising the developers to consider such a scheme. The ideal would be to create 2 storey units providing accommodation in the range of 1,500 2,500 sq. ft. net maximum over the 2 floors.
- 4.2.5 The dynamics of the market have however changed significantly. Historically the plan would be for such buildings to be developed on a speculative basis and let on leases with unbroken terms of 10 years to create an investment that could then be sold into the property investment market. The reality today is that typical occupiers for this type of accommodation will be seeking very flexible lease arrangements of either say 10 years with a 5 year break or more likely 6 years with a 3 year break. Such investment propositions are unattractive to the property market.
- 4.2.6 The alternative would be to create such buildings for sale to owner occupiers. The Oaks Business Village is a good example of this and I set out below details of two transactions that occurred during 2009:-

#### Unit 7 The Oaks

Semi-detached 2 storey office building totalling 2,300 sq. ft. net lettable. Sold for £242,000 in February 2009 equivalent to £105.22 per sq. ft.

#### Unit 2 The Oaks

Semi-detached 2 storey office building totalling 2,030 sq. ft. net lettable. Sold for £210,000 in April 2009 equivalent to £103.45 per sq. ft.

Based on a rental of £9.00 per sq. ft., this shows an owner occupier yield of around 8.7%

- 4.2.7 My client has carried out a development appraisal for an office business village scheme on the Horsted site. The assumptions are that the units will be sold to owner occupiers based on a rental of £17.00 per sq. ft. and capitalised at 8.7% giving £195 per sq. ft. The scheme, even at that level is simply not viable and we would strongly recommend against pursuing this option. A copy of this appraisal is attached at Appendix 2.
- 4.2.8 It should be borne in mind that access to bank finance for such propositions has become remarkably difficult over the last 3 years. Historically, banks were keen to lend to purchasers of commercial property, particularly small business units.
- 4.2.9 In my professional opinion, I do not consider this use to be viable and would recommend against proceeding.

#### 4.3 Innovation Centre

- 4.3.1 It has been suggested that the subject site could be suitable for an Innovation Centre.
- 4.3.2 Medway Council have pioneered the operating of Innovation Centres in the area.
- 4.3.3 The Council opened the original Medway Innovation Centre (known as MIC1) in 2008 within part of the BAE Systems site directly opposite on the western side of the A229.
- 4.3.4 The facility was created by converting and upgrading a BAE Systems' office building and provides occupiers with a unique security offer with barrier controlled access to the site. This works extremely well for occupiers requiring a high level of security in which to operate their business.
- 4.3.5 The facility was augmented with the completion at the beginning of 2009 by the purpose built Medway Innovation Centre, known as MIC2. This is located on the A229 within a half a mile to the south of the Horsted site.
- 4.3.6 The facility comprises a purpose built structure of steel frame with brick elevations and basic floor plates of around 8,000 sq. ft. The ground and first floors have been partitioned to create suites capable of housing between 2-10 employees, thus from around 200-1,000 sq. ft.
- 4.3.7 In addition on the ground floor are high quality conference facilities in a room which can be divided to form 2 smaller areas together with a high class cafe facility available for use by all Medway businesses.
- 4.3.8 The second floor of the building was finished in open plan whilst the Council sought a single occupier on more traditional lease terms through this practice. However, after almost two years of marketing, a single tenant has not been secured and the floor is now being divided into a series of smaller units to provide growth space for innovative occupiers.
- 4.3.9 The Innovation Centre offers applicants the ability to take space that is ready to go and available on an instant tenancy basis with significant flexibility. The occupants are supported by a centre manager, receptionist, security etc. With its superb accessibility to Junction 3 of the M2 which is within half a mile, the centre offers an excellent working environment for growing innovative businesses.
- 4.3.10 We understand that the centre, whilst not full, is enjoying occupancy levels of around 90% which has been achieved in just under 2 years.

- 4.3.11 The site benefits from being located immediately next to the Holiday Inn so that in addition to a significant car park of its own there is the ability to use overflow parking on the Holiday Inn site. Furthermore, the site immediately to the south of the Innovation Centre could be made available for further parking. The site also bounds Rochester Airport thus giving those travelling by light aircraft direct access to the centre.
- 4.3.12 It should be remembered that MIC2 has been developed and financed by Medway Council, i.e. via the public sector.
- 4.3.13 In addition to these facilities, Medway also benefits from the Medway Enterprise Centre located towards the northern edge of Medway City Estate. The centre was purpose built in the late 1980's and offers a wide range of starter units for both office and light industrial users.
- 4.3.14 Furthermore, Space Business Centres completed a development of a Space Centre in Knight Road, Strood offering 52 units for start-up/growing businesses. Some 24 units (47%) are now let, two years after completion.
- 4.3.15 Given the current availability of modern purpose built space and the experience gained from the Innovation Centre, it is difficult to see how an argument can be made for the creation of a further Innovation Centre on the Horsted site.
- 4.3.16 The land available for the office allocation is in my opinion unlikely to be sufficient for the parking required for such a centre. This would entail therefore building a small level of accommodation which in itself will be uneconomic given the cafe/conference facilities required to make such a centre successful. I consider it highly unlikely, in current market conditions, that a developer would consider a project of this kind, as due to the combination of high costs, poor gross to net ratios, void levels and short term licences providing limited security of income, it would be almost impossible to obtain funding. For all those reasons, in my opinion, I do not consider such a use viable.

#### 4.4 Conference Centre

4.4.1 From my experience in the local property market, it is evident that some commentators take the view that there is demand in the Medway towns for a conference centre. No such facility currently exists in either the Medway towns or Maidstone, the county town of Kent, which is some 6 miles to the south of the Horsted site.

- 4.4.2 That said, it is clear that for a conference centre to work, it must be located where delegates have an offer of more than the building itself. This might be for example if it is attached or adjacent to a very large hotel or retail facilities such as a shopping centre or on the coast such as is the case with the Brighton, Bournemouth and Eastbourne conference facilities.
- 4.4.3 There is an existing building at Chatham Maritime, Colonial House, which has potential to be converted, with the development of part of the site, to form a substantial conference centre yet despite the building having been on the market for some 7 years, no such developer or end user has come forward to promote this activity.
- 4.4.4 I understand that for a conference centre to be of interest to the wider market, it would need to have a capacity to support a minimum of 1,000 delegates. It is therefore considered that a conference centre proposal for the commercial land at Horsted is simply not realistic.

#### 4.5 Hotel

- 4.5.1 I have been asked to consider the possibility of the suitability of the site for a hotel.
- 4.5.2 There are two modern hotels within half a mile of the south site, a Holiday Inn and the Bridgewood Manor. Furthermore, a Ramada Encore 90 bedroom hotel opened in Chatham Maritime in 2008 whilst there is a substantial Premier Inn on Gillingham Business Park.
- 4.5.3 Within 5 miles south of the site on Junction 6 of the M20 is the Village Hotel, whilst Maidstone is also served by a Hilton at Junction 7 and the Marriott Tudor Park close to Junction 8 of the M20. It is understood that one of the budget operators is keen to locate a 90 bedroom hotel in either the town centre or Chatham Maritime area but we are not aware of any operators looking for further representation in the Horsted locality.

#### 4.6 University

4.6.1 Chatham Maritime is now home to three academic institutions, the University of Kent at Medway, Greenwich University and Canterbury Christ Church University. All of these facilities have located in the Maritime since the mid 1990's with Christ Church being the latest entrant in 2004.

- 4.6.2 It has been widely reported in the press that the University of the Creative Arts (UCA) are considering an alternative to their existing site at Fort Pitt, overlooking Chatham town centre. Press reports indicate that it is Chatham Maritime that is of interest to the University and not the Horsted site, which of course was previously in educational use.
- 4.6.3 Such a facility is likely to require a significant size of site and one of the successes of the universities at Chatham Maritime is their ability to co-locate with each other. Indeed, the Mid Kent College site has relocated in Gillingham very close to the Chatham Maritime campus. It is not therefore considered likely that an academic institution would wish to view Horsted as an appropriate site.

#### 4.7 BAE Systems

4.7.1 I have been asked to review the position concerning the likely demand from BAE Systems. I would advise that this practice is instructed by BAE Systems to seek occupiers for up to 60,000 sq. ft. of office accommodation on its site directly opposite the Horsted site. On this basis, it would appear highly unlikely that BAE Systems would require further space locally when it is seeking to dispose of such a significant quantity of space on its own adjoining site. The details are attached at Appendix 3.

N.W. Threlfall BSc FRICS 23<sup>rd</sup> December 2010

12Oct 10nwtdjj

**Appendix 1** 

### Countryside Properties Plc

Development Appraisal

Former Mid Kent College Site, Horsted, Chatham
OFFICE BUILDING

Report Date 15/12/2010

# Countryside Properties Plc Former Mid Kent College Site, Horsted, Chatham OFFICE BUILDING

#### TIMESCALE (Duration in months)

| Partl            | mths | Commences |
|------------------|------|-----------|
| Phase Start Date |      | Dec 2010  |
| Construction     | 7    | Dec 2010  |
| Letting          | 24   | Jul 2011  |
| Part Length      | 31   |           |
| Project Length   | 32   |           |

#### ASSUMPTIONS

#### CONSTRUCTION

- 1. Construction Costs paid on S-Curve
- 2. Professional Fees are related to Construction

#### DISPOSAL

- 1. Purchaser's Costs based on Gross Capitalisation
- 2. Purchaser's Costs Deducted from Sale (not Added to Cost)
- 3. Sales Fees based on Sales plus Net Capitalisation
- 4. Sales Fees Added to Cost (not Deducted from Sale)

#### INTEREST

- 1. Single rates of Interest adopted for all Payments/Receipts: Debit Rate 6.00%. Credit Rate 0.00%
- 2. Interest Compounded Quarterly and Charged Monthly
- 3. Same rate of interest in each DCF period
- 4. Interest Not calculated on items in final DCF period
- 5. Interest Not included in IRR calculations
- 6. Effective Rates of Interest used

#### INFLATION/GROWTH

Inflation Sets

Set Number Set 1 Infl,Rate % 0.00

#### CASHFLOW

- 1. Payments In Arrears
- 2. Receipts In Advance
- 3. Initial IRR guess rate 10.00%

#### VALUATION

Tables are Annually in Arrears

Rent Free Cost method: Deduct proportion of ERV and add to Costs

#### RESIDUAL TARGETS

Part 1 Profit on GDV 20.00%

# Countryside Properties Plc Former Mid Kent College Site, Horsted, Chatham OFFICE BUILDING

| Appraisal Summary for Part 1                |                 |                      |                 |            |           |
|---|-----------------|----------------------|-----------------|------------|-----------|
| REVENUE                                     |                 |                      |                 |            |           |
| Rental Area Summary                         | ft²             | Rate ft <sup>2</sup> | Grs. Rent pa    |            |           |
| Office Building                             | 17,500          | £17.00               | 297,494         |            |           |
|   | 17,500          |                      | 297,494         |            |           |
| Investment Valuation                        |                 |                      | Yield           | Factor     | Cap. Rent |
| Office Building                             |                 |                      | Tiena           | Lactor     | Cupi Atem |
| Valuation Rent                              | 297,494         | YP @                 | 9.0000%         | 11.1111    | 3,305,484 |
|   |                 |                      |                 |            | 3,305,484 |
| NET CAPITALISATION                          |                 |                      |                 | 3,305,484  |           |
| Purchaser's Costs                           |                 | 4.76%                | -157,424        | 116 111 8  |           |
| NET DEVELOPMENT VALUE                       |                 |                      |                 | 3,148,060  |           |
| NET REALISATION                             |                 |                      |                 | 3,148,060  |           |
| OUTLAY                                      |                 |                      |                 |            |           |
| ACQUISITION COSTS                           |                 |                      |                 |            |           |
| Negative Land Value                         |                 |                      | -1,203,517      | -1,203,517 |           |
| CONSTRUCTION COSTS                          |                 |                      |                 | -1,203,317 |           |
| Summary                                     | ft <sup>2</sup> | Rate ft <sup>2</sup> | Cost            |            |           |
| Office Building                             | 21,300          | £115.00              | 2,449,500       |            |           |
| ***********                                 | 21,300          |                      |                 | 2,449,500  |           |
| PROFESSIONAL FEES                           |                 | 10.0004              | 002.040         |            |           |
| Professional Fees<br>Landscaping Consultant |                 | 12.00%               | 293,940         |            |           |
| Building Regulations                        |                 |                      | 10,000<br>5,000 |            |           |
| Construction Legal Costs                    |                 |                      | 7,500           |            |           |
| Planning Consultant                         |                 |                      | 10,000          |            |           |
| Training Constitution                       |                 |                      | 10,000          | 326,440    |           |
| MARKETING                                   |                 |                      |                 | 300        |           |
| Marketing                                   |                 |                      | 50,000          |            |           |
| Letting Agent Fees                          |                 | 15.00%               | 44,624          |            |           |
| Letting Legal Fees                          |                 |                      | 14,875          | 100 400    |           |
| DISPOSAL FEES                               |                 |                      |                 | 109,499    |           |
| Sales Agent Fees                            |                 | 1.00%                | 31,481          |            |           |
| Sales Legal Fees                            |                 | 0.50%                | 15,740          |            |           |
| NOT STREET TO SEE SHOW TO SEE STREET        |                 |                      |                 | 47,221     |           |
| ADDITIONAL COSTS                            |                 |                      | San Arab        |            |           |
| S106 Costs                                  |                 |                      | 75,000          |            |           |
| Planning Application Fee                    |                 |                      | 12,000          | 87,000     |           |
|   |                 |                      |                 | 41,1444    |           |
| RENT FREE COSTS                             |                 |                      |                 |            |           |
| Office Building                             | 18 mths         |                      | 446,240         |            |           |
|   |                 |                      |                 | 446,240    |           |

File: G:\COMM\Circle Data\Horsted, Chatham - Office Building.wcf Circle Version: 2.06.044

Date: 15/12/2010

# Countryside Properties Plc Former Mid Kent College Site, Horsted, Chatham ÖFFICE BUILDING

FINANCE

Debit Rate 6.000% Credit Rate 0.000% (Effective)

 Land
 -26,795

 Building
 39,807

 Letting Void
 211,569

Total Finance Cost 224,581

TOTAL COSTS 2,486,963

PROFIT 661,097

Performance Measures

 Profit on Cost%
 26.58%

 Profit on GDV%
 20.00%

 Profit on NDV%
 21.00%

 Development Yield
 11.96%

 Equivalent Yield (Normal)
 9.00%

 Equivalent Yield (True)
 9.53%

IRR % 22.44%
Rent Cover 2 yrs 3 mths
Profit Erosion (finance rate 6.000%) 3 yrs 11 mths

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**Appendix 2** 

### Countryside Properties Plc

Development Appraisal

Former Mid Kent College Site, Horsted, Chatham
OFFICE VILLAGE

Report Date 15/12/2010

# Countryside Properties Plc Former Mid Kent College Site, Horsted, Chatham OFFICE VILLAGE

#### TIMESCALE (Duration in months)

### Project Length ASSUMPTIONS

#### CONSTRUCTION

- 1. Construction Costs paid on S-Curve
- 2. Professional Fees are related to Construction

#### DISPOSAL

- 1. Purchaser's Costs based on Gross Capitalisation
- 2. Purchaser's Costs Deducted from Sale (not Added to Cost)

32

- 3. Sales Fees based on Sales plus Net Capitalisation
- 4. Sales Fees Added to Cost (not Deducted from Sale)

#### INTEREST

1. Single rates of Interest adopted for all Payments/Receipts: Debit Rate 6.00%. Credit Rate 0.00%

20.00%

- 2. Interest Compounded Quarterly and Charged Monthly
- 3. Same rate of interest in each DCF period
- 4. Interest Not calculated on items in final DCF period
- 5. Interest Not included in IRR calculations
- 6. Effective Rates of Interest used

#### INFLATION/GROWTH

Inflation Sets

Set Number Set 1

Infl.Rate % 0.00

#### CASHFLOW

- 1. Payments In Arrears
- 2. Receipts In Advance
- 3. Initial IRR guess rate 10.00%

#### VALUATION

Tables are Annually in Arrears

#### RESIDUAL TARGETS

Part 1 Profit on GDV

File: G:\COMM\Circle Data\Horsted, Chatham - Office Village.wcf Circle Version: 2.06.044

### Countryside Properties Plc Former Mid Kent College Site, Horsted, Chatham OFFICE VILLAGE

| Appraisa | Summary | for P | art 1 |
|----------|---------|-------|-------|
|----------|---------|-------|-------|

| REVENUE                              |                    |          |            |                     |
|--------------------------------------|--------------------|----------|------------|---------------------|
| Sales Valuation                      | ft²                | Rate ft2 | Grs.Value  |                     |
| Office Village                       | 12,000             | £150.00  | 1,800,000  |                     |
| onno mago                            | 12,000             | 2155.55  | 1,800,000  |                     |
|                                      | 12,000             |          | 1,800,000  |                     |
| NET REALISATION                      |                    |          |            | 1,800,000           |
| OUTLAY                               |                    |          |            |                     |
| ACQUISITION COSTS                    |                    |          |            |                     |
| Negative Land Value                  |                    |          | -522,546   |                     |
| riegative Land value                 |                    |          | 522,540    | -522,546            |
| CONSTRUCTION COSTS                   |                    |          |            | 0.55,0              |
| Summary                              | ſt²                | Rate ft² | Cost       |                     |
| Office Village                       | 12,000             | £120.00  | 1,440,000  |                     |
| •                                    | 12,000             |          | No.        | 1,440,000           |
| PROFESSIONAL FEES                    |                    |          |            | - J. 2019/2019/2019 |
| Professional Fees                    |                    | 12.00%   | 172,800    |                     |
| Landscaping Consultant               |                    |          | 10,000     |                     |
| Building Regulations                 |                    |          | 5,000      |                     |
| Construction Legal Costs             |                    |          | 7,500      |                     |
| Planning Consultant                  |                    |          | 10,000     |                     |
| 3                                    |                    |          |            | 205,300             |
| MARKETING                            |                    |          |            |                     |
| Marketing                            |                    |          | 40,000     |                     |
|                                      |                    |          | 100        | 40,000              |
| DISPOSAL FEES                        |                    |          |            |                     |
| Sales Agent Fees                     |                    | 1.00%    | 18,000     |                     |
| Sales Legal Fees                     |                    | 0.50%    | 9,000      |                     |
|                                      |                    |          |            | 27,000              |
| ADDITIONAL COSTS                     |                    |          |            | 82-51               |
| S106 Costs                           |                    |          | 75,000     |                     |
| Planning Application Fee             |                    |          | 10,000     |                     |
|                                      |                    |          | 26.25.25.2 | 85,000              |
|                                      |                    |          |            | •                   |
| FINANCE                              |                    |          |            |                     |
| Debit Rate 6.000% Credit Rate        | 0.000% (Effective) | )        |            |                     |
| Land                                 |                    | 101      | -12,619    |                     |
| Building                             |                    |          | 23,681     |                     |
| Letting Void                         |                    |          | 154,184    |                     |
| Total Finance Cost                   |                    |          |            | 165,246             |
| TOTAL COSTS                          |                    |          |            | 1,440,000           |
| PROFIT                               |                    |          |            | 360,000             |
|                                      |                    |          |            |                     |
| Performance Measures Profit on Cost% |                    | 25.00%   |            |                     |

Date: 15/12/2010

File: G:\COMM\Circle Data\Horsted, Chatham - Office Village.wcf Circle Version: 2.06.044

### Countryside Properties Plc Former Mid Kent College Site, Horsted, Chatham OFFICE VILLAGE

| 0.00% | Profit on GDV% |
|-------|----------------|
| 0.00% | Profit on NDV% |
|       | Profit on NDV% |

IRR % 17.92% Profit Erosion (finance rate 6.000%) 3 yrs 9 mths **Appendix 3** 

### On the instructions of BAE Systems PHASE III, BAE SYSTEMS SITE, MARCONI WAY, ROCHESTER AIRPORT, **ROCHESTER, KENT ME1 2XX**



within high security site

Potential for use as offices, data centre, disaster recovery, etc



01634 668000 watsonday.com

#### LOCATION:

The property forms part of the BAE Systems site at Rochester Airport, adjacent to the A229. This location is approximately 1 mile north from Junction 3 of the M2 motorway, and approximately 3 miles north from Junction 6 of the M20 motorway, both via the A229 dual carriageway. The Channel Ports are accessible to the east, whilst to the west lies London, approximately 35 miles distant, and the remainder of the national motorway network.

#### DESCRIPTION:

A substantial 2 storey building originally constructed for use as office/research accommodation.

- Full raised flooring to ground floor areas
- 'Lofty' ceiling heights to both floors
- Air conditioning throughout
- Located within a high security site
- Generous car parking available

#### ACCOMMODATION:

Ground floor approx 32,500 sq.ft. (3,019 m²)
First floor approx 32,500 sq.ft. (3,019 m²)
TOTAL 65,000 sq.ft (6,038 m²)

Generous on-site parking facilities

<u>USE</u> The property has most recently been used as offices.

In addition, it is considered that the building would be ideally suited to a variety of alternative, compatible uses including, data storage, disaster recovery, laboratory, pharmaceuticals, etc. or any other operation that would benefit from the very high level of security offered within this facility.

PROPOSAL The property is offered TO LET on either a floor by floor basis or in entirety

**RENT** To be calculated at the rate of £5.00/sq.ft.

<u>LEGAL COSTS</u> Both parties legal costs to be borne by the ingoing tenant

VIEWING & FURTHER INFORMATION Strictly via the agents

### WATSON DAY CHARTERED SURVEYORS

### 2 The Oaks Business Village, Revenge Road, Lordswood, Chatham, Kent ME5 8LF

Watson Day Chartered Surveyors for themselves and for the vendors or lessors of this property whose agents they are give notice that:

- All rents, prices or other charges given are exclusive of VAT;
- Any equipment, fixtures and fittings or any other item referred to have not been tested unless specifically stated;
- 3) These details, description and measurements do not form part of a contract and whilst every effort has been made to ensure accuracy this cannot be guaranteed. Applicants must satisfy themselves by inspection or otherwise as to the correctness of them;
- No person in the employment of Watson Day Chartered Surveyors has any authority to make or give any representation or warranty whatever in relation to this property



### Appendix D

### STATEMENT IN SUPPORT OF CHANGE OF USE FROM OFFICES TO RESIDENTIAL OR ALTERNATIVE COMMERCIAL USES

#### FORMER MID KENT COLLEGE SITE, HORSTED, CHATHAM, KENT

#### 1.0 AUTHOR

- **1.1** This statement has been prepared by Mark Chatham BSC (Hons) FRICS, Director (Commercial Marketing) New Homes & Communities, Countryside Properties UK Limited.
- **1.2** Mark is a fellow of the Royal Institution of Chartered Surveyors and has been with Countryside Properties PLC for close on 25 years and over 20 years as the Director responsible for marketing commercial property across all markets sectors. During this time he has overseen the successful development and letting of over 3 million sq ft of commercial space including office schemes throughout the South East of England. Countryside Properties currently has a portfolio of in excess of 4 million sq ft of further commercial development in the pipeline including amongst other schemes the ground breaking, Cambridge Biomedical Campus, a development of over 2 million sq ft of research and development space in conjunction with Cambridge University and the NHS at Addenbrook's Hospital, Cambridge.
- **1.3** Prior to employment with Countryside Properties, Mark worked in the industrial and office agency division of chartered surveyors, Weatherall Green & Smith, and was also involved for a year in the firm's American offices with the responsibility of leasing office space in New York City and other US locations.
- **1.4** Mark also lived in the Medway Towns for over 10 years in the 1990's and benefits from a detailed knowledge of the area and its social and business dynamics.
- **1.5** Mark was involved at the outset of the Enterprise Zone development at Chatham Maritime, which included five self-contained waterside office buildings known at the time, as Admiralty Place, totalling some 7,163.6 sq m (77,110 sq ft). Whilst these buildings benefited from Enterprise Zone status and associated incentives, they were very slow to let up initially owing to delays in the provision of infrastructure in the form of the new Medway Tunnel. Eventually, however, once the tunnel was completed and opened, they were let, but much of the space has now been vacated, and two of the buildings in particular have now been vacant for well over two years. Countryside Properties is involved in re-marketing this space as head tenant on each building and is in the midst of a fresh marketing launch of the buildings including widespread advertising, mailing and promotion of the space nationally. Mark has been the Director responsible for letting the office space throughout the 18 year life of the project. A copy of the new Quayside, Maritime brochure is enclosed.

#### 2.0 WATSON DAY VIABILITY REPORT – 23RD DECEMBER 2010

**2.1** It is not the intention to re-state the evidence provided in the Watson Day report which accompanied our original submission, but this is still hugely relevant to the prospects of any office redevelopment occurring on the Horsted site. Since this report was published the office market in the Medway Towns has only deteriorated further and Watson Day report that take-up on the whole of Chatham Maritime last year was only 679 sq ft. There is still over 260,000 sq ft of vacant office space available at the Maritime alone and unsurprisingly rents have not risen at all from levels achieved some 18 years ago, when Countryside first developed Admiralty Place. At this rate of take-

up Chatham Maritime alone has 383 years' supply of offices. Against this background, any deals today will inevitably involve huge incentives which render any new development totally unviable.

**2.2** The Watson Day Report was prepared in December 2010. The table at 3.10 in the Report showed the total floor space and availability at Chatham Maritime. This remains the same with the exception that the availability at Victory House is now 5,449 sq. ft. (previously 2,000 sq. ft.), Compass South now 26,000 sq. ft. (previously 33,000 sq. ft. due to University of Kent short term letting December 2010), The Observatory 14,000 sq. ft. (previously 7,000 sq. ft. Border & Immigration Agency moving out).

The total current availability at Chatham Maritime is 269,449 sq. ft. or 50.45% of current modern stock.

Town Centre – As before except Anchorage House is 10,440 sq. ft. following a letting of 5,220 sq. ft. to JHP Training. In addition, Riverside House of 5,227 sq. ft. is now available and Sun Pier House, of a further 5,000 sq. ft. will be available at the end of the year. The truth is the Medway Towns is hugely oversupplied with office space.

- **2.3** On any qualitative assessment, it is difficult to find fault with the Countryside space at Quayside, Chatham Maritime. The larger buildings are fully air conditioned with full access raised floors and suspended ceilings, providing 'Grade A' office space with excellent car parking provision. Queen Charlotte House has been fully refurbished throughout to include a bright modern reception area, and Royal Sovereign House is being marketed on the basis of also being fully refurbished to similarly high standards. Victory House has been divided up into small suites from 679 sq ft and can offer small companies excellent space on very flexible leasehold terms. The other two buildings can provide a range of accommodation from wings of 2,000 sq ft to an entire building of 29,064 sq ft with most sizes in between. Other buildings at Chatham Maritime such as the former Micro Medical building offer even newer space. We and others are desperate to off-load this vacant office space and huge financial incentives are being offered to companies to relocate to the Maritime. In spite of this, our last substantial letting deal of any size was the letting to CAFCASS of a suite within Prince Regent House of 2,758 sq ft way back in September 2009, nearly 4 years ago.
- **2.4** The Medway Towns is not unique in this respect and outside of Central London and a few other office hot spots such as Maidenhead, office demand across the South East is subdued and there has been very little speculative office development for a number of years. Even previous well established and successful office centres such as Slough and Bracknell have vast tracts of empty space overhanging the market. Rents in these towns are historically well above levels achieved in the Medway Towns and if office development is not viable elsewhere, it is certainly not viable on the Horsted site, which is not a recognised office location.
- **2.5** Another major factor against successful office development on the Mid Kent College site is that this site is a stand-alone site adjacent to a new residential development, but with very little in the way of local amenities and provisions which office occupiers demand. Whilst Chatham Maritime can offer a hotel, day nursery, gym, coffee bars, shops, pubs and 3 universities on the door step the Horsted site is somewhat isolated and lacking in local provision.

#### 3.0 MARKETING EFFORTS TO DATE AT HORSTED

- **3.1** We have now been marketing the opportunity of offices on the Horsted site through agents Watson Day (WD) for approaching a year and can report very little or no substantive interest in demand for offices on the site. This marketing has included the following:
- a) Erection on site of 2 no 5 x 4 boards indicating the availability of office premises.

- b) Preparation of preliminary particulars for the site (copy attached). These indicate a proposed development of new offices over 3 storeys to a high standard comprising raised floors, suspended ceilings, gas fired central heating to radiators and on site car parking. A size range from 2,466 14,466 sq. ft. is envisaged.
- c) Internet. The details were automatically uploaded onto WD's website which is linked to the EGI portal and we can therefore demonstrate full internet coverage. This acts as an advertising platform for anyone undertaking searches.
- d) Other marketing. WD also undertook proactive marketing and carried out e-shots from time to time to potential target audiences. They have not had any substantive response in relation to any of these initiatives.
- **3.2.** In terms of interest resulting from this marketing, since the campaign began, WD report interest as follows:-
- 5.10.11 Karl Woods, a teacher photographer who wanted to photograph the demolition for his pupils.
- 5.10.11 John Arthur of New Dawn Limited (graphic design). Mr. Arthur lives nearby and expressed an interest in accommodation at the site. This interest was reconfirmed on 14th May 2012. It is for 800 sq. ft.
- 7.10.11 EcoEgg. Pauline Body enquired. They have been in the market for some time and are understood to be looking for circa 1,000 sq. ft.
- 7.12.11 John Planck. Medway City Estate occupier seeking circa 1,000 sq. ft. Have since relocated to The Chatham Historic Dockyard.
- 20.02.12 Mr. Wareham. Requiring a retail unit.

In addition to the above, there was interest, a while back, from Tesco, who confirmed that the site would most certainly be of interest to them for a 4,000 sq. ft. retail unit.

WD also received interest on 2.05.12 from Philip Berry, agent for Co-operative Food Limited, also interested in a convenience store of 3,000 – 4,000 sq. ft.

- **3.2** At the request of the Council we have spoken to Indus Asset Management Limited, developers of the Space Business Centre development at Knight Road, Rochester who specialise in the provision of accommodation for small business. The response from Director Alex Gale was as follows: "We have looked at a number of options to build additional centres to add to our five schemes but sadly due to lack of bank finance and the way that these centres are valued, the numbers simply do not work without them being built for free or land being gifted over".
- **3.3** It is clear that there is no substantive demand for offices on the Horsted site. It is also the case that finance would not be available for speculative office development in this location without substantial public subsidy. Without a change of use on this site it is clear that it will remain vacant for some time to come on this important gateway into the Medway Towns, which is extremely disappointing in light of the huge investment we are making in the area toward the creation of an exemplar, highly sustainable new residential community at Horsted Park.

#### 4.0 ALTERNATIVE USES FOR THE 0.6 ACRE OFFICE SITE

- **4.1** The most obvious alternative for this land would be residential, and with current Government policies and an acute shortage of residential accommodation in the South East, there must be a compelling case to simply allow an extension to the residential scheme at Horsted Park and the provision of further residential space on the site. The site could accommodate some 19 new residential apartments and accompanying new homes bonus.
- **4.2** If, however, the Council is wedded to employment space in this location, we have identified two areas of significant demand which could result in early development of the site and the creation of jobs. The first of these is the provision of a family orientated pub/restaurant on the site where we have had interest from several of the leading operators in this field, one of which, I think, may have approached the Council direct in this regard. A new pub/restaurant in this location would provide some 30-40 new jobs created, with 50% full-time. It would also add an important facility not just for the residents of Horsted Park but also other residential neighbourhoods nearby.
- **4.3** The other market sector where we have received interest is in the provision of a small local food store on the site which would provide local facilities both for Horsted Park and the wider residential community, and which is seen as highly sustainable against the alternative of car borne traffic using the ASDA store close to the M2 Motorway. This would employ in the region of 33/35 employees (8 full time and 25/27 part time staff). A small food store could be provided stand alone, but in urban space planning terms, it might be better to include residential development over, in order to create massing to the Maidstone Road frontage. Both the food store and the pub/restaurant would require left in/left out access from the Maidstone Road as envisaged on the current Masterplan.

Mark P Chatham BSc (Hons) FRICS -Director (Commercial Marketing)

22nd May 2012

### PROPOSED OFFICE DEVELOPMENT FORMER MID KENT COLLEGE SITE HORSTED CHATHAM, KENT



#### **NEW OFFICES TO BE CONSTRUCTED**

2,466 – 14,466 SQ. FT. (229.1 – 1343.9 M²) 56 ON SITE CAR PARKING SPACES

TO LET/FOR SALE

#### LOCATION:

Chatham is situated some 35 miles south east of London and is a well established office centre served by a good public transport network including a mainline railway station with fast services to London Victoria and London St. Pancras and the channel ports.



01634 668000 watsonday.com Chatham forms the central part of the Medway towns conurbation, forming the largest urban area in Kent with a population in excess of 250,000. The M2 motorway lies some 3 miles south of the town and consequently gives rapid access to the M20, M26, M25 London orbital motorway, the Dartford Crossing and Heathrow, Gatwick and Stanstead airports. The channel ports/tunnel and central London are all within approximately 1 hours drive of the site.

Horsted is an excellent location in a strategic position on the A229 dual carriageway with Junction 3 of the M2 motorway being less than 1 mile to the south.

The site is opposite Rochester Airport, and close to the Holiday Inn Rochester/Chatham and the Horsted Retail Park. A substantial ASDA store is located approximately half a mile south on the A229.

#### **DESCRIPTION:**

The offices to be constructed form a purpose built building over 3 storeys of brick construction with timber weatherboard claddings to part under a pitched tiled roof. The accommodation will include the following amenities:-

- · Raised floors with carpeting
- Suspended ceilings with recessed LG7 standard lighting
- Gas fired central heating to radiators
- Male and female w.c.s
- 56 on site car parking spaces

#### ACCOMMODATION:

| Total        | 14,466 sq. ft. | (1343.9 m <sup>2</sup> ) |
|--------------|----------------|--------------------------|
| Second Floor | 5,000 sq. ft.  | ( 464.5 m <sup>2</sup> ) |
| First Floor  | 7,000 sq. ft.  | ( 650.3 m <sup>2</sup> ) |
| Ground Floor | 2,466 sq. ft.  | ( 229.1 m <sup>2</sup> ) |

56 on site car parking spaces

TERMS: We are instructed to either let the premises on new lease(s) on terms to be agreed or

alternatively, our clients will consider a sale of the entire property.

RENT/PRICE: On application.

LEGAL COSTS: For lease, the ingoing tenant to be responsible for both parties' legal costs and for a sale,

each party to bear their own costs.

EPC: An Energy Performance Certificate is not available at present as the building has not been

constructed.

**FURTHER INFORMATION:** Through the sole agents.

### 2 The Oaks Business Village, Revenge Road, Lordswood, Chatham, Kent ME5 8LF

#### IMPORTANT NOTICE:

Watson Day Chartered Surveyors for themselves and for the vendors or lessors of this property whose agents they are give notice that:

- All rents, prices or other charges given are exclusive of VAT;
- Any equipment, fixtures and fittings or any other item referred to have not been tested unless specifically stated;
- These details, description and measurements do not form part of a contract and whilst every effort has been made to ensure accuracy this cannot be guaranteed. Applicants must satisfy themselves by inspection or otherwise as to the correctness of them;
- No person in the employment of Watson Day Chartered Surveyors has any authority to make or give any representation or warranty whatever in relation to this property







### **OLD AND NEW IN HARMONY**

MODERN OFFICES IN A UNIQUE WATERSIDE ENVIRONMENT

## MORE THAN TWO DECADES AFTER THE CLOSURE OF CHATHAM DOCKYARD, SOME 350 ACRES OF PRIME WATERSIDE LAND FRONTING THE RIVER MEDWAY HAVE BEEN TRANSFORMED INTO THE THRIVING BUSINESS AND RESIDENTIAL COMMUNITY NOW KNOWN AS CHATHAM MARITIME.

Chatham Maritime is not just another anonymous business environment.

Its unique blend of 'old' and 'new', effectively combining one of the largest concentrations of listed structures in the UK with modern contemporary office, retail, leisure and university accommodation give it a truly unique atmosphere, which has attracted some 3,500 people to work there.

At its heart lies quayside, an employment area immediately south of dock basin 2, which provides a wide range of attractive modern and newly refurbished 'grade A' office space on highly competitive terms.



14 MILES

FROM THE M25 MOTORWAY

3 MILES

OF PATHWAYS AND CYCLE PATHS

30 MILES FROM CENTRAL LONDON

**STUDENTS** 

30ACRE

TRANSFORMED INTO A THRIVING BUSINESS AND RESIDENTIAL COMMUNITY

3 UNIVERSITIES

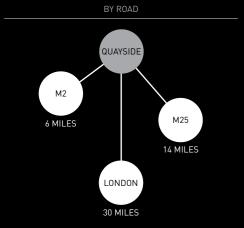
**CONURBATION IN NORTH KENT** 

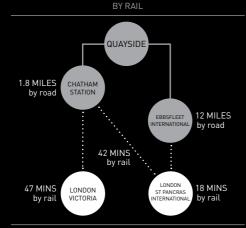
## ALL THE RIGHT CONNECTIONS

Situated in the heart of the Medway Towns conurbation in North Kent (population circa 250,000), approximately 14 miles to the east of the M25 Motorway and only 30 miles from Central London, Chatham Maritime is the ideal location for businesses seeking an attractive working and living environment with easy access to national and European markets. The Medway Tunnel, close to quayside, provides direct dual carriageway access to the M2 Motorway and the national motorway network.

Kent's 'High Speed 1' train service to
Central London provides fast trains from
nearby Ebbsfleet International to London
St Pancras International (18mins) or from
Chatham Station to London Victoria (47mins)
and London St Pancras International (42mins).
Regular buses serve Chatham Station,
1.8 miles to the south of quayside, from
a bus stop on nearby Dockside Road.

#### TYPICAL JOURNEY DISTANCES AND TIMES



















# FACILITIES SECOND TO NONE

The office buildings at quayside enjoy a commanding position to the south of the dock basins, with easy access to some 80 shops, cafés and restaurants at the adjacent **Dockside**Outlet Centre, Ship & Trades waterside pub,

Co-operative Food Store, Odeon Cinema and the 300 berth Chatham Maritime Marina.

Additional local facilities include a Ramada Encore Hotel, Busy Bees children's day nursery and a Tri-University Campus (University of Kent, Greenwich University and Canterbury Christ Church University) with over 9,000 students, thus offering a wide range of associated restaurant, bar and conference facilities. Attractive new housing is also available on St Mary's Island.

- 1. CAFE @ PILKINGTON BUILDING
- 2. RAMADA ENCORE HOTEL
- 3. NEW HOMES ON ST MARY'S ISLAND
- 4. THE CO-OPERATIVE FOOD STORE
- 5. BUSY BEES DAY NURSERY 6. SHIP & TRADES PUB
- 7. ODEON CINEMA













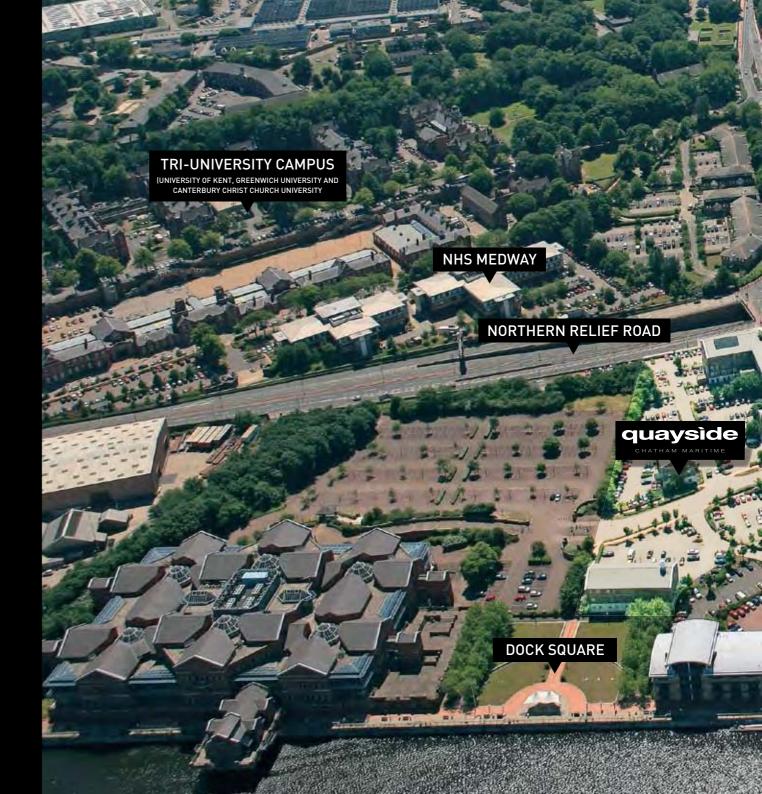


### IN GOOD COMPANY

Chatham Maritime is home to a wide range of high calibre occupiers, including RBS, Lloyds of London, The Insolvency Service, Emerson Process Management, Moore Stephens Chartered Accountants, NHS Medway & Kent, MHS Homes, Reeves Chartered Accountants, Xchanging, Vanquis Bank, Kent Police, Skills Funding Agency, The Border and Immigration Agency, Steria, MReal and Pitney Bowes.

All these businesses have been attracted by the scheme's waterside working environment and the significant advantages of being at the heart of the Medway Towns conurbation, the largest in the South East outside of London, with a large local labour pool and London commuter population.

Available office space at quayside provides opportunities for more companies and organisations to become part of this unique waterside business community.





# WATERSIDE WORKING

quayside lies at the heart of Chatham Maritime, close to the original dock basins and enjoys a wealth of new amenities, seldom found on many of today's characterless business parks. The area even includes its own formal square and bandstand providing the perfect venue for corporate events, overlooking the water and Basin edge, as well as no less than 3 miles of cycle paths and river walkways.

With its distinct blend of old and new, influenced by some of the traditional naval architecture and artefacts within the nearby Historic Dockyard, quayside is the home to a number of elegant self contained office buildings, all with excellent car parking provision, some with a contemporary twist, but each with its own special character and charm.





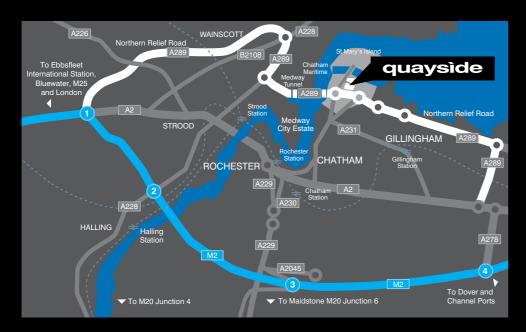


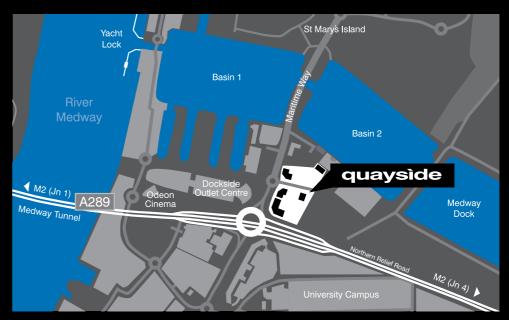


## **AVAILABLE OFFICE SPACE**



Sat Nav ref ME4 4QU





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### QUEEN CHARLOTTE HOUSE

### QUALITY OFFICES TO LET

Located at the entrance to Quayside, Queen Charlotte House provides the perfect setting for the discerning company seeking high quality, air conditioned office space at Chatham Maritime.

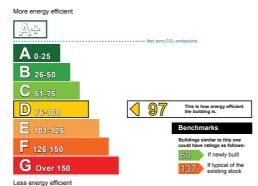
Stone clad pilasters frame the entrance to this imposing building, which features a double height reception area with new contemporary multi-colour light system and light wall.

- Fan coil air conditioning system
- Prestige double height contemporary reception area with granite floor
- Male and female toilet facilities on each floor
- Two passenger lifts
- Fully accessible raised flooring to all office areas
- Suspended ceiling with fully recessed low brightness light fittings
- Quality carpeting throughout
- Double glazed windows
- High quality internal finishes
- Designed for low/easy maintenance
- Facilities for the disabled
- 76 car parking spaces including secure undercroft parking spaces

| Car Spaces             | 76 (1:1 | 80 sq ft) |
|------------------------|---------|-----------|
| Total                  | 1,325   | 14,247    |
| Ground Floor Reception | 51      | 544       |
| First Floor            | 428     | 4,605     |
| Second Floor           | 422     | 4,538     |
| Third Floor            | 424     | 4,560     |
| FLOOR AREAS (NIA)      | SQ M    | SQ FT     |

#### **ENERGY PERFORMANCE ASSET RATING**

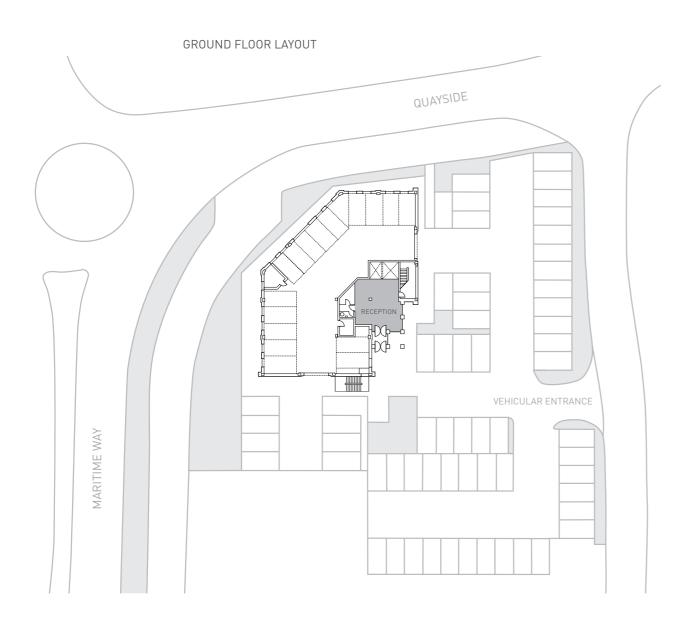
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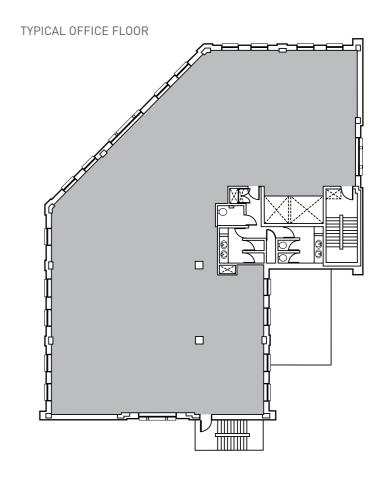






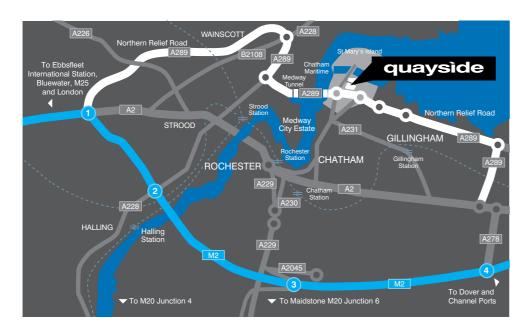
# 2,000 TO 14,247 SQ FT

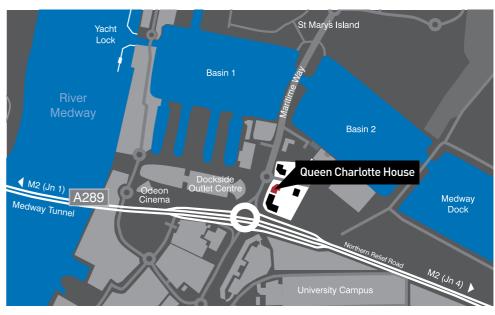




### quayside CHATHAM MARITIME

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ROYAL SOVEREIGN HOUSE SIZES **FLOORPLANS** QUAYSIDE, CHATHAM MARITIME, ME4 4QU **SPECIFICATION** 

### ROYAL SOVEREIGN HOUSE

### QUALITY OFFICES TO LET

Occupying a prominent dual aspect corner site, at the important 'Gateway' from the Medway Tunnel Approach and Northern Relief Road into Chatham Maritime, Royal Sovereign House is the largest of five buildings developed by Countryside Properties PLC at Quayside.

It is fully air conditioned with an imposing double-height reception area which is to be refurbished to a modern contemporary style.

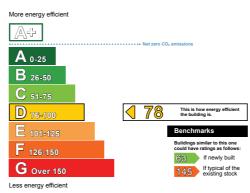
The building has 3 lifts, including a goods lift and high quality internal finishes throughout.

- Fan coil air conditioning system
- Prestige double height reception with granite floor
- Male and female toilet facilities on each floor
- Two passenger lifts
- Additional service lift
- Fully accessible raised flooring to all office areas
- Suspended ceiling with fully recessed low brightness light fittings
- Quality carpeting throughout
- Double glazed windows
- High quality internal finishes
- Designed for low/easy maintenance
- Facilities for the disabled
- 153 car parking spaces including secure undercroft parking spaces

| Car Spaces             | 153 (1: | 186 sq ft) |
|------------------------|---------|------------|
| Total                  | 2,700   | 29,064     |
| Ground Floor Reception | 60      | 641        |
| First Floor            | 881     | 9,484      |
| Second Floor           | 877     | 9,445      |
| Third Floor            | 882     | 9,494      |
| FLOOR AREAS (NIA)      | SQ M    | SQ FT      |

#### **ENERGY PERFORMANCE ASSET RATING**

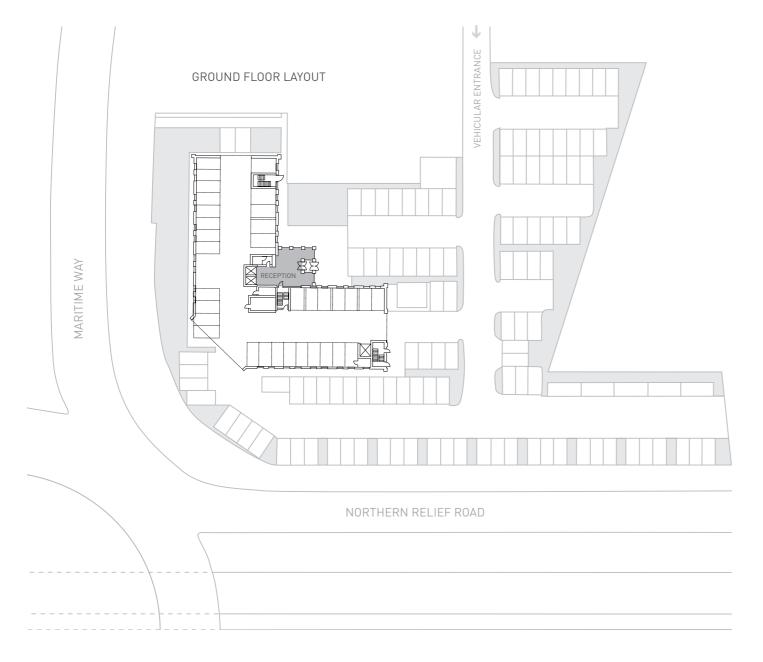
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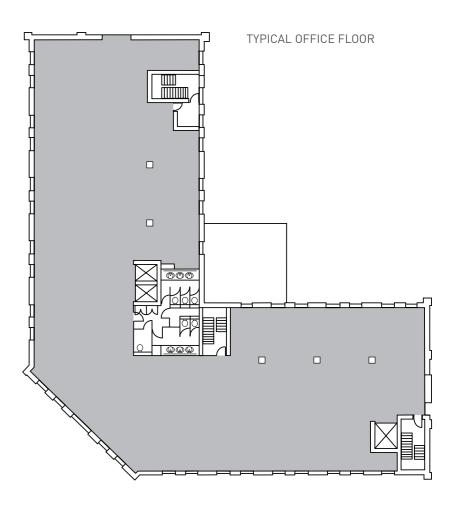






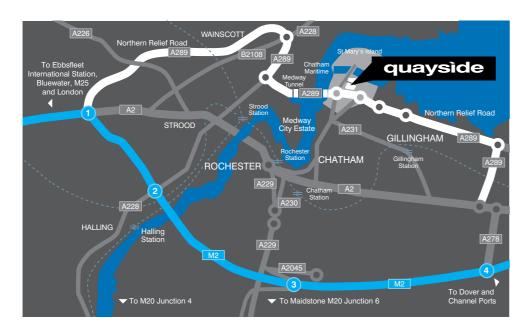
# 5,000 TO 29,064 SQ FT

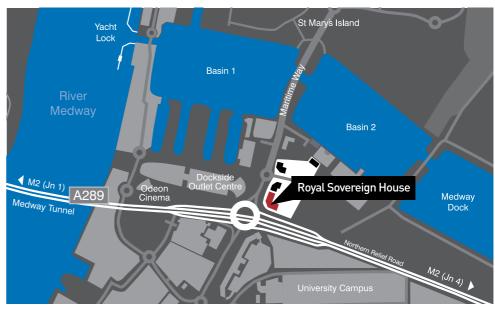




# quayside

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**OFFICE SUITES AT VICTORY HOUSE** SIZES **FLOORPLANS SPECIFICATION** QUAYSIDE, CHATHAM MARITIME, ME4 4QU

### VICTORY HOUSE

### QUALITY OFFICE SUITES TO LET

Victory House occupies a prime position overlooking Basin No 2 and Dock Square, a formal courtyard with a covered stage, attractive lawns and tree lined boulevards leading to the waters edge.

Its clean symmetrical lines, traditional brick and rendered elevations, stone dressings, balconies, entrance feature and cupola combine to make Victory House an attractive building for smaller companies seeking quality office suites at Quayside, Chatham Maritime.

- Fresh air mechanical ventilation
- Gas fired central heating
- Male and female toilet facilities on each floor
- Passenger lift
- Fully accessible raised flooring to all office areas
- Suspended ceilings with fully recessed low brightness light fittings
- Quality carpeting throughout
- Double glazed windows and louvre blinds
- High quality internal finishes
- Designed for low/easy maintenance
- Facilities for the disabled
- Excellent on site parking provision (1:180 sq ft net approx)

#### **AVAILABLE OFFICE SUITES (NIA)**

|                      | SQ M | SQ FT | CAR<br>SPACES |
|----------------------|------|-------|---------------|
| Ground Suite A       | 112  | 1,206 | 6             |
| Ground Suite B       | 63   | 679   | 4             |
| Second Floor (Whole) | 331  | 3,568 | 20            |

#### **ENERGY PERFORMANCE ASSET RATING**

Certificate Reference Number: 9990-4041-0348-0170-602

More energy efficient

A 0-25

B 26-50

This is how energy efficient Net zero CO, emissions

This is how energy efficient the building is.



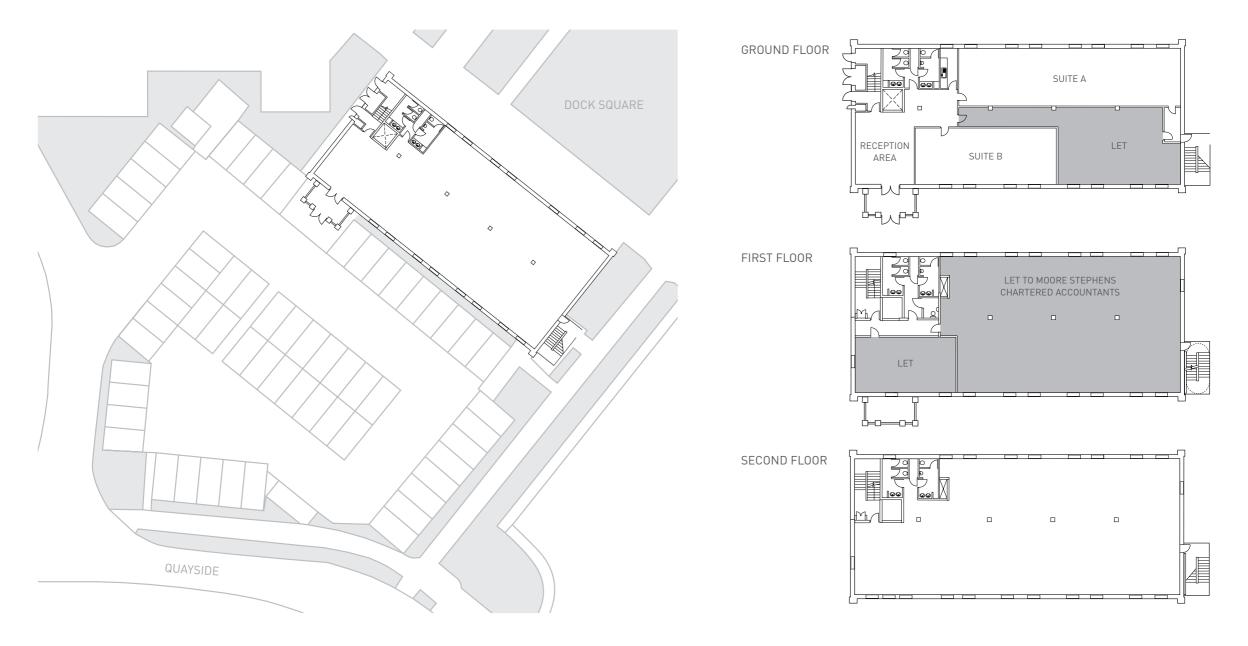
Less energy efficient





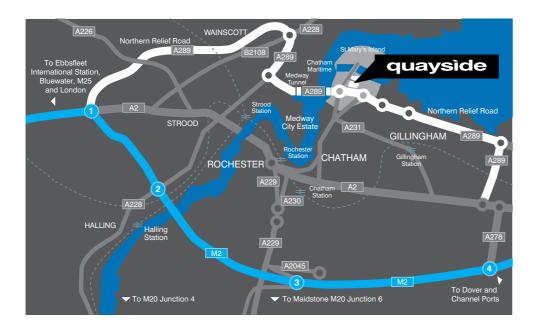


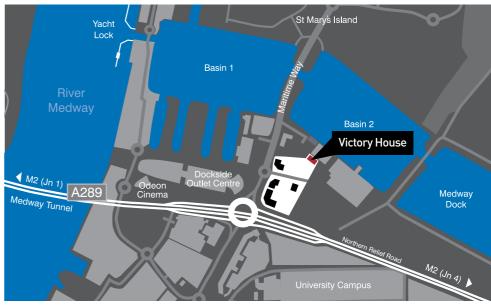
# OFFICE SUITES FROM 679 TO 3,568 SQ FT



# quayside

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