Marlborough House, 18 Upper Marlborough Road, AL1 3UT

Hearing Statement – Matter 1





REPORT CONTROL

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1. INTRODUCTION

- 1.1 This Hearing Statement ('Statement') has been prepared by Boyer on behalf of our client, Telereal Trillium Group ('TTG'), in relation to the Examination in Public of the Draft St Albans Local Plan Regulation 19 Publication Version (September 2024) ('Draft Local Plan').
- 1.2 These representations refer to Marlborough House, 18 Upper Marlborough Road, St Albans, AL1 3UT ('the Site').
- 1.3 This Statement does not seek to rehearse the documents submitted on behalf of TTG as part of the Regulation 19 Stage consultation to St Albans City and District Council ('SACDC').
- 1.4 This Statement responds to Matter 1 (Legal Compliance), in particular Questions 5 and 6.



2. RESPONSE TO MATTER 1 – LEGAL COMPLIANCE

Q5: How much employment land does the Plan provide for and how does this compare to the identified needs?

- 2.1 Paragraph 5.12 of the Draft Local Plan notes there has been a loss of office floorspace in recent years, driven in part by the change of use of offices to residential under Permitted Development Rights. Paragraph 5.13 of the Draft Local Plan also recognises there has been a shift towards greater home working since the COVID-19 pandemic, and that this may become a long-term trend. Despite this, paragraph 5.13 of the Draft Local Plan suggests that there continues to be a demand for office floorspace, and that it is important that an appropriate supply of office floorspace is delivered in order to support investment and employment growth across the District.
- 2.2 Notwithstanding, the 2024 Authority Monitoring Report ('AMR') sets out that a total net gain of 3,714 square metres of E(g)(i) Offices / B1(a) Offices floorspace was recorded for the monitoring year 2023/2024. However, the AMR also notes that employment vacancy rates have increased across the District, from 9% in January 2024 to 14% in January 2025. The AMR notes that 13.8% of office floorspace was vacant in January 2024. This indicates an oversupply of office floorspace within the District.
- 2.3 The South West Hertfordshire Economic Study 2024, prepared by Hatch, reflects the findings of the AMR, establishing that there is an oversupply of office floorspace across South West Hertfordshire. This oversupply of office floorspace is as evidenced by the fact there is currently 124,000sq.m of vacant office floorspace in the South West Hertfordshire functional economic market area, equating to vacancy rate of 11.2%. As of July 2023, there was 162,000sq.m of available office space in South West Hertfordshire, of which 124,000sq.m was vacant. This includes a high level of availability of office floorspace in those parts of South West Hertfordshire where the demand for office floorspace is considered to be highest, including central Watford and St Albans.
- 2.4 The South West Hertfordshire Economic Study 2024 also states that a large number of leases have not been renewed since the start of the COVID-19 pandemic, indicating a lack of demand for existing office floorspace. Whilst the South West Hertfordshire Economic Study 2024 anticipates demand for office floorspace will increase, any increased demand is predicted to be for smaller high-quality offices located in the main office markets of Central Watford and St Albans. Consequently, the South West Hertfordshire Economic Study 2024 concludes that although demand for smaller, high quality offices, is expected to grow, demand for large offices is expected to continue to fall.
- 2.5 Given the reduced demand for large offices, the South West Hertfordshire Economic Study 2024 recommends that local authorities consider how existing office floorspace can be consolidated, and explore how the redevelopment of vacant offices, which do not meet the needs of occupiers, should be encouraged in order to address other priorities, including the



delivery of housing. It is noted that this approach will reduce the supply of poor quality and vacant office floorspace, thus increasing rental values and improving the viability of the retention and/or delivery of high quality office floorspace that better meets occupier requirements.

- 2.6 The conclusions of the AMR and South West Hertfordshire Economic Study 2024 reflect TTG's experience at Marlborough House, which represents an out of date large office building that has been vacant since March 2022. Although Marlborough House is located within a Protected Employment Area ('PEA'), as identified within the Draft Local Plan, there is no realistic demand for either the continued use of Marlborough House as office accommodation, or the refurbishment / redevelopment of Marlborough House to provide modern office accommodation that better meets the needs of occupiers is unviable.
- 2.7 Despite the evidence set out in the AMR and South West Hertfordshire Economic Study 2024, and echoed by TTG's experience, the Draft Local Plan seeks to increase office floorspace. Key to the Council's objective to increase office floorspace is Policy EMP3 which applies a blanket restriction on the loss of any office floorspace within the St Albans City Principal Office Locations. The blanket restriction on the loss of office floorspace is overly restrictive given the Council's own evidence base demonstrates an oversupply of office floorspace, and a particular lack of demand for outdated, large offices, including within the St Albans City Principal Office Locations.
- 2.8 Consequently, it is contended it is contended that those policies of the Draft Local Plan regarding the protection of existing office floorspace do not reflect the Council's own evidence base. In this context the Draft Local Plan does not meet the objectively assessed need for office floorspace, is not based on proportionate evidence, and is therefore unsound.

Q6: How has the Council engaged constructively, actively and on an ongoing basis to maximise the effectiveness of the Plan in relation to employment land requirements? Where is this evidenced?

- 2.9 The employment land requirements are established through the South West Hertfordshire Economic Study 2024. In order to meet the identified employment land requirements, the Draft Local Plan allocates; 53ha. of land at East Hemel Hempstead (Central) to provide for a range of uses including offices, research and development, light industrial and distribution; and 33.16ha for the Strategic Rail Freight Interchange at the former Radlett aerodrome to predominantly provide Class B8 uses.
- 2.10 With regards to the need for office floorspace, the South West Hertfordshire Economic Study 2024 concludes that there is no demand for additional office floorspace over the plan period. In this context the South West Hertfordshire Economic Study 2024 advocates the consolidation of existing office floorspace where this does not meet the need of future occupiers.
- 2.11 Despite the conclusions of the South West Hertfordshire Economic Study 2024, Policy EMP3 of the Draft Local Plan states that the Council will not support the net loss of office floorspace within the St Albans Principal Office Locations. It is the Council's position that St Albans City



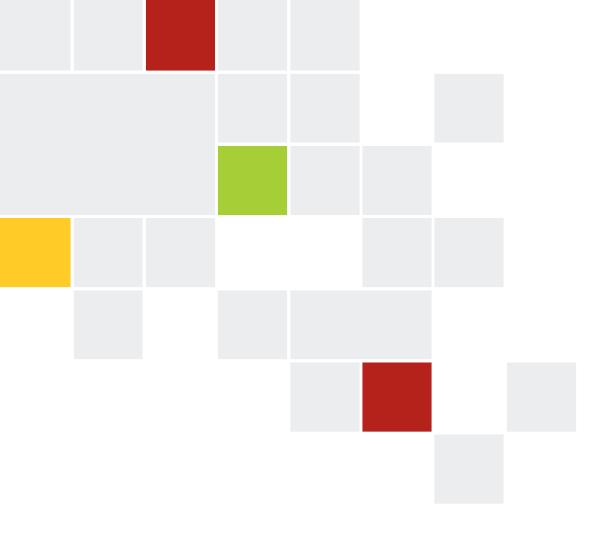
Centre has the highest demand for office space, and that a sufficient supply of office accommodation can help attract and retain businesses within St Albans and keep rental costs lower due to sufficient supply.

- 2.12 However, as set out within the South West Hertfordshire Economic Study 2024, whilst the highest demand for office floorspace is within the St Albans City Principal Office Location, the demand office floorspace is for smaller, modern, high-quality office accommodation that meets the needs of future occupiers. It is therefore contended that the blanket restriction on the loss of any existing office floorspace within the Principal Office Locations in Policy EMP3 of the Draft Local Plan will not meet the employment land requirements, and is contrary to the conclusions of the South West Hertfordshire Economic Study 2024.
- 2.13 It is contended that the blanket restriction on the loss of office floorspace is testament to SACDC's failure to engage proactively with the owners of existing office accommodation and other stakeholders. The Council's blanket restriction on the loss of any existing office floorspace within the St Albans City Principal Office Location, irrespective of the quality of the existing floorspace and without any understanding of the viability of either the retention of the existing office floorspace or the delivery of new office development, will frustrate both the delivery of high quality modern office floorspace that meets the needs of occupiers and the efficient redevelopment of vacant office floorspace to meet housing need.
- 2.14 As noted within the South West Hertfordshire Economic Study 2024 the current oversupply of office floorspace has suppressed rental values, and consequently the viability of new office developments. Therefore, in the absence of the consolidation of the existing office floorspace within St Albans it is unlikely that the Council's aspirations to attract new office development and occupiers to St Albans will be achievable.
- 2.15 The blanket protection of existing office floorspace within the St Albans City Principal Office Location, despite evidence of an oversupply of office accommodation and that the existing office accommodation (such as at Marlborough House) does not meet the requirements of occupiers, is contrary to national policy. Paragraph 86 of the National Planning Policy Framework 'NPPF' states that planning policies should be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances. Equally, Paragraph 128 sets out that local planning authorities should support proposals to use employment land for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework.
- 2.16 It is therefore contended that the Draft Local Plan does not effectively meet the employment land requirements, and is unsound.



3. CONCLUSION

- 3.1 The Draft Local Plan allocates two sites for industrial and business development, alongside the protection of existing employment uses within Protected Employment Areas.
- 3.2 The protection of existing employment uses includes the blanket protection of all existing office floorspace within the St Albans City Principal Office Location, despite the evidence base (including the South West Hertfordshire Economic Study 2024) indicating an oversupply of office accommodation and high vacancy rates leading to high availability rates.
- 3.3 Whilst it is acknowledged that demand for office floorspace may increase, the evidence suggests that any increased demand will be smaller, high-quality offices in the main office areas. However, the Draft Local Plan does not recognise this distinction, and seeks to protect all employment space within Principal Office Locations. As such, it is contended that the blanket restrictions on the loss of office accommodation are not supported by evidence and is inconsistent with national policy which states that local authorities should resist the protection of existing uses where not supported by evidence.
- 3.4 In this context it is contended that Policy EMP3 is overly restrictive, and the blanket approach resisting the loss of office floorspace within the Principal Office Locations will neither meet the needs of future office occupiers by allowing the consolidation and redevelopment of existing out of date office floorspace, or meet other needs (i.e. housing need) through the release of vacant office accommodation. Under the provisions of Policy EMP3, as currently drafted, Marlborough House which is an out of date, poor-quality vacant office building that does not meet the needs of office occupiers is unable to be redeveloped to meet other needs.
- 3.5 On this basis TTG assert that the Draft Local Plan is not justified, is inconsistent with the aims of NPPF, and as a result is unsound.
- 3.6 In accordance with their previous representations to the Draft Local Plan, TTG request that Policy EMP3 be amended to allow for the loss of employment floorspace where it can be demonstrated that there is no demand for employment use at the site.
- 3.7 We trust that our comments are of assistance and that the Inspectors will be give due consideration to the recommendations that have been made.



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