

# Development Management Sub Committee

Wednesday 12 August 2015

## Application for Planning Permission 15/01855/FUL At 68 - 73 Queen Street, Edinburgh Proposed Change of Use from Class 4 Offices to Sui Generis Aparthotel and Class 3 Restaurant.

Item number	4.8
Report number	
Wards	A11 - City Centre

### Summary

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The proposal is acceptable in principle and will not have any greater impact on the character of the New Town Conservation Area and the Edinburgh World Heritage Site, the setting of listed buildings, road and pedestrian safety, traffic and amenity, than the current use. The proposal complies with the relevant policies in the Development Plan and associated non-statutory guidance, and is acceptable subject to relevant conditions.

### Links

<a href="#">Policies and guidance for this application</a>	CITCA1, CITD11, CITE1, CITE3, CITE6, CITEM4, CITEM5, CITR12, CITT3, CITT4, CITT5, CITT6, NSLBCA, NSP, NSDCAH, CRPNEW, CRPWHS,
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# Report

## **Application for Planning Permission 15/01855/FUL At 68 - 73 Queen Street, Edinburgh Proposed Change of Use from Class 4 Offices to Sui Generis Aparthotel and Class 3 Restaurant.**

### **Recommendations**

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1.1 It is recommended that this application be Granted subject to the details below.

### **Background**

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#### **2.1 Site description**

The application site comprises a H-shaped five and six storey (with basement) modern office building with two internal courtyards. The site is known as 'Erskine House'.

The site occupies two street frontages with its main frontage being situated along Queen Street to the north, and a rear servicing frontage to the north of Young Street North Lane. The rear frontage of the site also accommodates vehicular entrance/exit openings to access parking at basement level and service openings. Due to the topography of the site which drops from south to north, the first floor of the site is at street level from Young Street North Lane.

The site adjoins traditional three storey properties (with attics and basements) on either side of its Queen Street frontage, and on its Young Street North Lane frontage, the site adjoins two storey mews properties and a three storey (with attic) building.

The site is not listed however there are several buildings adjacent and in close proximity to it which are listed. The buildings directly adjacent to the site are listed as follows:

- 74-77 (inclusive) Queen Street - category A listed (listed on 03.03.1966, ref: 29571).
- 66 and 67 Queen Street - category A listed (listed on 03.03.1966, ref: 29570).

The site is vacant with the exception of the fourth floor, and it is not considered to provide 'Grade A' office space.

The site is located within the Edinburgh World Heritage Site and the surrounding area comprises a mix of uses including residential, commercial and community.

This application site is located within the New Town Conservation Area.

## 2.2 Site History

22.08.1991 - Planning permission granted to install air handling plant on the roof surface (in retrospect) (application ref: 91/01598/FUL).

16.02.1993 - Planning permission granted to replace 1 window unit within the lightwell at front with a louvred grille (application ref: 93/00004/FUL).

24.03.2000 - Planning permission granted for installation of disabled access ramp to front elevation (application ref: 00/00203/FUL).

25.05.2001 - Planning permission granted to install new rooftop plant (application ref: 01/01285/FUL).

10.11.2006 - Planning permission granted for installation of 2 face-mounted antenna and 1 antenna concealed within a replica flue, associated equipment housing and ancillary development (application ref: 06/03007/FUL).

## Main report

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### 3.1 Description Of The Proposal

The application is for the change of use of the site from offices (use class 4) to an aparthotel (suis generis) comprising 187 serviced apartments, and a class 3 (food and drink) unit at ground floor level. Ancillary to the aparthotel will be a lounge, concierge/reception area and a small gym on the ground floor.

The Planning and Policy Assessment submitted with the application defines the aparthotel use as follows:

*'serviced apartments are used as quasi hotel accommodation by business and leisure visitors, where periods of occupation are generally but not necessarily less than 90 days...services such as cleaning and laundry are provided, either on a daily basis or between periods of occupation... All apartments within a development must be in single ownership and operated as a single business. They do not form and cannot be used as permanent housing.'*

Overall, the average length of stay is predicted to be around 3 to 4 days.

The application proposes aparthotel units as follows:

- Basement: 20 standard units
- Ground floor: 13 standard units
- First floor: 27 standard units and 2 accessible units
- Second floor: 33 standard units and 2 accessible units
- Third floor: 33 standard units and 2 accessible units
- Fourth floor: 31 standard units and 2 accessible units
- Fifth floor: 22 standard units

All rooms will be a minimum of 30 square metres in area and will offer facilities for sleeping, cooking and bathing. The proposal incorporates fully wheelchair accessible units and units designed to accommodate people with reduced mobility needs. All units will have a double bed and the agent has confirmed that the maximum occupancy per room is two people.

In order to provide light and natural ventilation to the proposed units at basement level, the courtyards will be extended down to provide external areas of amenity space, which will be landscaped.

The proposed class 3 (food and drink) use will have an approximate floorspace of 138 square metres and will be located at the front of the building so that it will be accessible from Queen Street via the shared main entrance.

The main pedestrian access point will be from the site's Queen Street entrance, with secondary access being provided from Young Street North Lane. Secure storage for 24 bicycles will be provided internally at first floor level, and will be accessible directly from Young Street North Lane. The Design and Access Statement confirms that refuse will be collected by a private contractor from a dedicated internal refuse storage area. Servicing, including deliveries and refuse collection, will be undertaken to the rear of the property from Young Street North Lane as per the current arrangement.

The existing building accommodates 49 parking spaces within the basement which are accessed via a car lift from Young Street North Lane. The car lift will be removed as part of this proposal in order to accommodate aparthotel units and storage on the basement floor. Two disabled car parking spaces will be provided on the first floor which will be accessed directly from Young Street North Lane.

No external changes are proposed to the Queen Street or Young Street North Lane elevations. The existing black clad facades of the courtyards will be replaced with cream-white coloured rainscreen cladding to further facilitate the entering of light into these spaces. This treatment will also enhance the thermal performance of the facades through the upgrading of insulation levels. The proposed external stores and access corridors fronting onto the courtyards at basement level will be surfaced in brick to match the existing brick work currently wrapping the four corner stair cores.

## **Supporting Statements**

The following documents have been submitted in support of the application and are available to view on the Planning and Building Standards Online Services:

- Planning and Policy Assessment;
- Design and Access Statement;
- Transport Statement; and
- Noise Report.

## **3.2 Determining Issues**

Do the proposals harm the character or appearance of the conservation area? If they do, there is a strong presumption against granting of permission.

Do the proposals comply with the development plan?

If the proposals do comply with the development plan, are there any compelling reasons for not approving them?

If the proposals do not comply with the development plan, are there any compelling reasons for approving them?

### **3.3 Assessment**

To address these determining issues, the Committee needs to consider whether:

- a) the proposed use is acceptable in principle;
- b) the proposals have an adverse impact on the character or appearance of the conservation area and the Edinburgh World Heritage Site;
- c) the proposals adversely affect the setting of listed buildings;
- d) the proposals are detrimental to neighbouring amenity;
- e) the proposals are detrimental to road safety;
- f) any impacts on equalities or human rights are acceptable; and
- g) comments raised have been addressed.

#### **a) Principle**

The site is located within the Central Area as defined by the Edinburgh City Local Plan (ELCP). ELCP Policy Ca 1 (The Central Area) states that in the Central Area, development will be permitted which maintains and enhances the character, attractiveness, vitality and accessibility of the city centre and contributes to its role as the regional service centre and Edinburgh's role as a capital city. A mix of uses, including hotel-type uses, are encouraged so long as they are appropriate to the location of the site, its accessibility characteristics and the character of the surrounding area.

ECLP Policy Emp 4 (Employment Sites and Premises) seeks to ensure that existing business uses remain in employment-providing uses which contribute to the regeneration and improvement of the wider area.

The site is currently in office (class 4) use and at full occupancy could provide up to 168 full time equivalent jobs. However, due to changing occupant requirements, the site's location outside of the main office based areas in the city (such as Fountainbridge) and physical constraints identified with the internal spaces of the site, the continuation of its office use has become increasingly challenging despite the owner's efforts to refurbish the premises. As a result, vacant possession of the site is expected by the end of 2015.

The agent has provided evidence that despite marketing the premises to prospective tenants since 2012, take-up has been limited and currently only the fourth floor is occupied. Feedback from prospective tenants has also been summarised by the applicant's marketing agents, which highlights issues contributing to the lack of take-up. These issues include low ceiling heights (2nd floor and above), poor natural light levels compared to newer buildings with curtain wall glazing, and inefficient floorplates relative to more modern buildings.

The Council's Economic Development team were consulted on this application. Despite their preference being to retain the site in office use, it is acknowledged that the greatest demand is for Grade A office space. This site does not provide Grade A office space.

Economic Development confirm that there is a shortage of hotel bedrooms in Edinburgh, and the City of Edinburgh Tourist Accommodation Audit 2012 advised that 9,000 additional beds are required by 2021. Economic Development suggest that the proposal can be expected to create 35 full time equivalent jobs, and a visitor staying in the aparthotel could be expected to contribute approximately £81 per day to the local economy which amounts to £29,565 per year. Economic Development do not identify an overprovision of hotel-type uses in this location.

ECLP Policy Emp 5 (Hotel Development) states that hotel development will be permitted in the Central Area, and acknowledges that the city centre is the preferred location for most visitors.

The proposal will bring a predominantly vacant site back into use and will contribute to addressing an identified shortfall in short stay hotel-type accommodation. The surrounding area is in mixed use and the proposal will enhance the vitality of the area in accord with ECLP policies Ca 1, Emp 4 and Emp 5.

The proposal is acceptable in principle. An assessment of the proposal against its impact on the character of the area, the setting of listed buildings, amenity, road safety and traffic has been set out in the following sections.

#### b) Impact on Conservation Area and Edinburgh World Heritage Site

Minor external alterations are proposed within the internal courtyards which are partially visible from adjoining properties but not from the wider conservation area or the Edinburgh World Heritage Site. The proposed alterations are in keeping with the modern architecture of the building and the materials proposed are acceptable. The proposal will contribute to the vitality of the area by introducing a new use for this predominantly vacant site.

The proposal will not have an adverse impact on the character and appearance of the New Town Conservation Area or the Edinburgh World Heritage Site. The proposal therefore complies with ECLP policies Env 1 (World Heritage Site) and Env 6 (Conservations Areas - Development).

### c) Impact on Setting of Listed Buildings

Minor external alterations are proposed within the internal courtyards which are partially visible from adjoining category A listed buildings. The alterations are in keeping with the building and will not materially alter the existing settings of these listed buildings. No new buildings are proposed therefore existing views to the surrounding listed buildings will not be impacted upon.

There will be no adverse impact on the existing setting of nearby listed buildings. The proposal therefore complies with ECLP Policy Env 3 (Listed Buildings - Setting).

### d) Impact on Amenity

Several concerns have been raised by members of the public regarding the impact of the proposal on residential amenity. A key concern relates to the potential for increased noise and disturbance from traffic accessing the site from Young Street North Lane and servicing operations, including bin collections.

Environmental Assessment were consulted and conclude that whilst it is acknowledged that traffic and servicing associated with the proposal may cause noise which will be audible from surrounding residential properties, this does not represent a material change in circumstances from the existing office use which also undertakes servicing from Young Street North Lane in addition to providing entry to 49 car parking spaces at the basement level.

The application proposes a reduction in vehicle parking spaces from 49 spaces to 2 spaces. Whilst it is acknowledged that the site is not fully occupied at present, the potential for noise and disturbance associated with vehicles entering and leaving the site from Young Street North Lane will be reduced as a result of this proposal.

It is acknowledged that there may be greater servicing requirements for the aparthotel compared to the existing office use, however on balance Environmental Assessment is content that this is acceptable particularly when taking account of the overall reduction in parking spaces provided.

Representations also raise concern regarding the potential for an increase in air pollution in connection with traffic resulting from the proposal. Given the reduction in the number of parking spaces at the site and the continuation of servicing arrangements at the rear of the premises, it is not considered that there will be a material change in existing air quality.

The two internal courtyards will provide open air communal spaces for customers. These spaces will be screened along their boundaries with neighbouring properties by built edges accommodating storage and access corridors. It is not considered that these spaces will have an unacceptable adverse impact on neighbouring amenity in terms of privacy or through the creation of noise and disturbance.

No external changes are proposed to window positions therefore there will be no additional impacts upon the privacy of neighbouring properties. Similarly there will be no adverse impact on the daylight or sunlight experienced by neighbouring properties as a result of the proposal.

The application includes a supporting Noise Report which recommends mitigation against traffic and potential noise from the class 3 (food and drink) unit which may affect occupants of the aparthotel. The proposed mitigation includes the provision of secondary glazing on windows facing Queen Street and improved sound insulation for the class 3 (food and drink) use. A condition is recommended to that effect.

The proposed class 3 (food and drink) unit on the ground floor will be ventilated through ducts directed to the roof, which is acceptable.

Environmental Assessment raise no objections to the proposal in terms of its potential impact on neighbouring amenity.

The proposal is acceptable in terms of its impact upon existing neighbouring amenity and the amenity of future occupants of the aparthotel. The proposal complies with ECLP policies Des 11 (Alterations and Extensions) and Ret 12 (Food and Drink Establishments).

#### e) Traffic Impact and Road Safety

The site is approximately 1,300 metres away from Waverley and Haymarket rail stations. Princes Street and Shandwick Place, approximately 750 metres from the site, provide convenient halts on the Edinburgh Tram line between Edinburgh Airport and the city centre, and the site is within 400m of Princes Street, a key public transport corridor. Queen Street also accommodates a number of bus services.

The site is approximately 200 metres from National Cycle Route1 (NCR 1) which follows an east-west route through Edinburgh on George Street. The site is within walking distance of many city centre attractions.

The site is in a sustainable location and is accessible by foot, cycle, and a range of public transport modes.

Cycle parking will be provided in excess of the Council's cycle parking standards which equates to a minimum requirement of 19 spaces. The proposed cycle parking is for 24 bicycles.

The site is located within Zone 1 as defined by the Council's parking standards; therefore the quantity of parking can be justified from between 0 and 37 spaces. The current proposal of two accessible parking spaces is within this range.

A Transport Statement has been submitted with the application. The Transport Statement demonstrates that the number of people trips potentially generated by the proposal will be substantially less than its current office use. The majority of trips to and from the site are predicted to be by public transport and therefore it is not anticipated that the proposal will result in an increase in traffic, congestion or road and pedestrian safety risks compared with the current use of the site if it were fully occupied.

Transport Planning raise no objections to the proposal in terms of its impact on traffic, congestion, and road or pedestrian safety.



Transport Planning identified a contribution of £429,000 towards the Edinburgh Tram; however the existing office has a higher predicted trip usage associated with the tram compared to the combined aparthotel and food and drink use proposed. This is confirmed in the Council's Guidance on Developer Contributions and Affordable Housing. On this basis no contribution is required in this instance. This conclusion is consistent with the approach taken with other similar change of use proposals where the proposed use will generate less predicted tram trips than the current use.

The proposal is acceptable in terms of its impact on traffic in addition to road and pedestrian safety. The proposal complies with ECLP policies Tra 4 (Private Car Parking), Tra 5 (Private Cycle Parking) and Tra 6 (Design of Off-Street Car and Cycle Parking) and associated non-statutory guidance.

#### f) Equalities and Human Rights

The proposal incorporates a number of accessible units within the aparthotel and lift access to upper floors will also be provided. There is an existing ramp access at the site's Queen Street entrance. There are no issues of concern with regard to equalities and human rights.

#### g) Public Comments

The application has received eight representations, all of which raise objections. These objections have been summarised below:

#### **Material Representations: Objections**

- Increase in traffic resulting in congestion - this has been addressed in section 3.3e) of the assessment.
- Detrimental impact on road and pedestrian safety - this has been addressed in section 3.3e) of the assessment.
- Increased air pollution in connection with increased traffic - this has been addressed in section 3.3d) of the assessment.
- Increased noise and disturbance to the detriment of residential amenity particularly associated with vehicles accessing Young Street Lane North - this has been addressed in section 3.3d) of the assessment.
- Impact on character of listed buildings and historic character of conservation area - this has been addressed in sections 3.3b) and c) of the assessment.
- Proliferation of hotels, serviced apartments and licensed premises - this has been addressed in section 3.a) of the assessment.
- Detrimental impact on privacy - this has been addressed in section 3.3d) of the assessment.
- Detrimental impact of noise from internal courtyards - this has been addressed in section 3.3d) of the assessment.
- Insufficient car parking provided - this has been addressed in section 3.3e) of the assessment.

A suggestion has also been made that the storage of refuse off-street would be beneficial in protecting amenity. The proposal includes provision for the internal storage of refuse.

## **Non-Material Representations**

- Potential for damage to buildings caused by large service vehicles.
- Query raised regarding one-way system on Young Street and the lanes. This is a matter for the Council as Roads Authority rather than the Planning Authority.
- Disturbance associated with construction/conversion process.
- Nature of rubbish collection.
- People smoking in Young Street Lane North is potential health hazard.
- Aparthotel may attract less discerning customers.
- Proposal may attract vermin due to increased rubbish.

## **Community Council**

No representations have been received.

## Conclusion

The proposal is acceptable in principle and will not have any greater impact on the character of the New Town Conservation Area and the Edinburgh World Heritage Site, the setting of listed buildings, road and pedestrian safety, traffic and amenity, than the current use. The proposal complies with the relevant policies in the Development Plan and associated non-statutory guidance, and is acceptable subject to relevant conditions.

There are no material planning considerations which outweigh this conclusion.

It is recommended that this application be Granted subject to the details below.

## **3.4 Conditions/reasons/informatives**

### **Conditions:-**

1. The development shall be completed in accordance with the acoustic and ventilation requirements specified in the Sandy Brown residential planning noise report No. 15079-R01-B (Dated 02 July 2015).
2. Prior to the uses hereby approved being operational, the extract flue and ventilation system, capable of 30 air changes per hour, as shown on drawing no. 1202 P 120 0001 PO and dated 22 May 2015 should be implemented.
3. A detailed specification, including trade names where appropriate, of all the proposed external materials shall be submitted to and approved in writing by the Planning Authority before work is commenced on site; Note: samples of the materials may be required.

### **Reasons:-**

1. In order to protect the amenity of the occupiers of the development.
2. In order to safeguard the amenity of neighbouring residents and other occupiers.
3. In order to enable the Head of Planning to consider this/these matter/s in detail.

## **Informatives**

It should be noted that:

1. The development hereby permitted shall be commenced no later than the expiration of three years from the date of this consent.
2. No development shall take place on the site until a 'Notice of Initiation of Development' has been submitted to the Council stating the intended date on which the development is to commence. Failure to do so constitutes a breach of planning control, under Section 123(1) of the Town and Country Planning (Scotland) Act 1997.
3. As soon as practicable upon the completion of the development of the site, as authorised in the associated grant of permission, a 'Notice of Completion of Development' must be given, in writing to the Council.
4. A monitor capable of receiving an internet connection to display Public Transport Real Time information should be displayed in the reception area of the Hotel. This will be to advise residents, staff and visitors of public transport.
5. The applicant shall submit a draft Travel Plan and Management Agreement prior to occupation and a final Travel Plan within 12 months of that date.

## **Financial impact**

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### **4.1 The financial impact has been assessed as follows:**

There are no financial implications to the Council.

## **Risk, Policy, compliance and governance impact**

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**5.1** Provided planning applications are determined in accordance with statutory legislation, the level of risk is low.

## **Equalities impact**

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### **6.1 The equalities impact has been assessed as follows:**

The application has been assessed and has no impact in terms of equalities or human rights.

## **Sustainability impact**

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### **7.1 The sustainability impact has been assessed as follows:**

This application is not subject to the sustainability requirements of the Edinburgh Design Guidance.

## **Consultation and engagement**

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### **8.1 Pre-Application Process**

Pre-application discussions took place on this application.

### **8.2 Publicity summary of representations and Community Council comments**

The application has received eight representations, all of which raise objections. These objections have been summarised below:

#### **Material Representations: Objections**

- Increase in traffic resulting in congestion.
- Detrimental impact on road and pedestrian safety.
- Increased air pollution in connection with increased traffic.
- Increased noise and disturbance to the detriment of residential amenity particularly associated with vehicles accessing Young Street Lane North.
- Impact on character of listed buildings and historic character of conservation area.
- Proliferation of hotels, serviced apartments and licensed premises.
- Detrimental impact on privacy.
- Detrimental impact of noise from internal courtyards.
- Insufficient car parking provided.

A suggestion has also been made that the storage of refuse off-street would be beneficial in protecting amenity. The proposal includes provision for the internal storage of refuse.

#### **Non-Material Representations**

- Potential for damage to buildings caused by large service vehicles.
- Query raised regarding one-way system on Young Street and the lanes. This is a matter for the Council as Roads Authority rather than the Planning Authority.
- Disturbance associated with construction/conversion process.
- Nature of rubbish collection.
- People smoking in Young Street Lane North is potential health hazard.
- Aparthotel may attract less discerning customers.
- Proposal may attract vermin due to increased rubbish.

#### **Community Council**

No representations have been received.

#### **Background reading/external references**

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- To view details of the application go to
- [Planning and Building Standards online services](#)
- [Edinburgh City Local Plan and Rural West Edinburgh Local Plan](#)

- [Planning guidelines](#)
- [Conservation Area Character Appraisals](#)
- [Edinburgh Local Development Plan](#)
- [Scottish Planning Policy](#)

## **Statutory Development**

### **Plan Provision**

The site is located within the Central Area, the New Town Conservation Area and the Edinburgh World Heritage Site.

### **Date registered**

21 April 2015

### **Drawing numbers/Scheme**

01 - 21, 24, 28 - 36,

Scheme 1

## **David R. Leslie**

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## **Links - Policies**

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### **Relevant Policies:**

Policy Ca 1 (Central Area) sets criteria for assessing development in the Central Area.

Policy Des 11 (Alterations and Extensions) sets criteria for assessing alterations and extensions to existing buildings.

Policy Env 1 (World Heritage Site) protects the quality of the World Heritage Site and its settings.

Policy Env 3 (Listed Buildings - Setting) identifies the circumstances in which development within the curtilage or affecting the setting of a listed building will be permitted.

Policy Env 6 (Conservation Areas Development) sets out criteria for assessing development in conservation areas.

Policy Emp 4 (Employment Sites and Premises) sets out criteria for development proposals affecting business & industry sites and premises.

Policy Emp 5 (Hotel Development) sets criteria for assessing sites for hotel development.

Policy Ret 12 (Food and Drink Establishments) sets criteria for assessing the change of use to a food & drink establishment.

Policy Tra 3m (Tram Contributions) requires contributions from developers towards the cost of tram works where the proposed tram network will help address the transport impacts of a development.

Policy Tra 4 (Private Car Parking) requires private car parking provision to comply with the parking levels set out in supplementary planning guidance, and sets criteria for assessing lower provision.

Policy Tra 5 (Private Cycle Parking) requires cycle parking provision in accordance with levels set out in supplementary guidance.

Policy Tra 6 (Design of Off-Street Car and Cycle Parking) sets criteria for assessing design of off-street car and cycle parking.

**Non-statutory guidelines** 'LISTED BUILDINGS AND CONSERVATION AREAS' provides guidance on repairing, altering or extending listed buildings and unlisted buildings in conservation areas.

**Non-statutory guidelines** on 'PARKING STANDARDS' set the requirements for parking provision in developments.

**Non-statutory guidelines** on Developer Contributions and Affordable Housing gives guidance on the situations where developers will be required to provide affordable housing and/or will be required to make financial or other contributions towards the cost of, providing new facilities for schools, transport improvements, the tram project, public realm improvements and open space.

**The New Town Conservation Area Character Appraisal** states that the area is typified by the formal plan layout, spacious stone built terraces, broad streets and an overall classical elegance. The buildings are of a generally consistent three storey and basement scale, with some four storey corner and central pavilions.

## World Heritage Site

The historic centre of Edinburgh, including the medieval Old Town and the Georgian New Town, was inscribed on the United Nations Education, Scientific and Cultural Organisation's (UNESCO's) List of World Heritage Sites in December, 1995. This represents international recognition that the Site is of outstanding universal value.

The organic plan form of the medieval Old Town and the clarity of the geometrically planned neo-classical New Town together with the outstanding historic buildings are fundamental characteristics of the World Heritage Site. All proposals affecting the plan form or historic buildings, including their setting, will be considered for their impact on their design integrity.

# Appendix 1

## **Application for Planning Permission 15/01855/FUL At 68 - 73 Queen Street, Edinburgh Proposed Change of Use from Class 4 Offices to Sui Generis Aparthotel and Class 3 Restaurant.**

### **Consultations**

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#### Transport Planning

*I have no objections to the application subject to the following being included as conditions or informatives as appropriate:*

1. *Consent should not be issued until the applicant has entered into a suitable legal agreement to provide:*
  - a. *A financial contribution of £429,000 to the Edinburgh Tram (based on 187 bed in tram Zone 2);*
  - b. *A monitor capable of receiving an internet connection to display Public Transport Real Time information should be displayed in the reception area of the Hotel. (Reason to advise residents, staff and visitors of public transport);*
  - c. *The applicant to submit a draft Travel Plan and Management Agreement prior to occupation and a final Travel Plan within 12 months of that date.*

#### Environmental Assessment

*The application proposes the change of use of office premises to aparthotel and restaurant. Offices are situated to the west and east with residential properties and offices situated to the south on Young Street North Lane. Residential properties are situated across Queen Street to the north.*

*The application includes a supporting noise impact assessment for the site which recommends mitigation against traffic and proposed restaurant noise affecting the aparthotel rooms. A condition is recommended below to that effect.*

*The proposal includes delivery operations and waste collections to occur at basement level from the rear off Young Street North Lane. It is possible that the deliveries may cause some noise to affect the surrounding residential properties. However, the existing premises will have included deliveries and waste collections and this application includes a reduction in proposed patron vehicle parking spaces so is unlikely to be any worse than occurs at present under existing operations.*

*The application includes a gymnasium for use by patrons of the facility. The noise impact assessment advises that noise from the gym will be addressed by the operator of the premises to manage and therefore noise from the gymnasium has not been addressed.*



*The planner has agreed that this is the best approach to dealing with this issue and therefore Environmental assessment has not requested that this issue be considered further.*

*The restaurant includes a ventilation flue ducted to roof level. A condition is recommended to ensure that the ventilation will be installed as per the details provided by the applicant.*

*Therefore, Environmental Assessment has no objections to this proposed development subject to the following condition and informatives:*

## **Conditions**

### *Noise*

*The development shall be completed in accordance with the acoustic and ventilation requirements specified in the Sandy Brown residential planning noise report No. 15079-R01-B (Dated 02 July 2015).*

*The requirements for traffic noise are detailed in paragraphs 6.1.2 and state:*

*The north face should be upgraded, either with secondary glazing comprising an additional 6mm pane spaced 100mm away from the existing windows, or new high performance double glazing in the configuration 12.8mm glass/20mm cavity/10mm glass, rated at  $Rw+C_{tr}$  39dB.*

*The requirements for restaurant noise are detailed in paragraph 6.3 and state:*

*The existing floor slab should be checked to ensure it is fully intact with no holes or other weaknesses and that it has a minimum weight of at least 520 kg/m<sup>3</sup> e.g. a 220mm solid slab. This should be upgraded with a ceiling comprising of 2 layers of 12.5 mm plasterboard suspended at least 200mm below the slab, with 100mm mineral wool insulation in the cavity.*

### *Ventilation*

*Prior to the use being taken up, the extract flue and ventilation system, capable of 30 air changes per hour, as shown on drawing no. 1202 P 120 0001 PO and dated 22 May 2015 should be implemented.*

## **Economic Development**

*Edinburgh's economic strategy, "A Strategy for Jobs 2012-17", aims to achieve sustainable economic growth through supporting the creation and safeguarding of jobs in Edinburgh. A key element of delivering jobs-driven economic growth is through supporting businesses and the provision of an adequate supply of workplaces.*

## **Commentary on existing uses**

*Erskine House is located at the South end of Queen Street and within the City's central business district. The building opened in 1965 and was renovated in 1989.*

*The building comprises a 1960's open plan office building arranged over seven floors, including basement level.*

*Given its proximity to Charlotte Square and George Street, Erskine House presents an ideal location from which to do business in Edinburgh's city-centre. The rent payable today would be between £17.50 and £18.50/sq ft pa.*

*To date, occupiers have included Morisons LLP and Capita. Until last year, the blue chip company PwC was also based at Erskine House. This reflects the attractiveness of the building to a wide range of successful businesses.*

*The building was marketed for occupation in 2013, being described as "refurbished high quality open plan office accommodation with parking." From this it can be assumed that the building has not reached the end of its working life and could be viable as an office building today.*

*It can be assumed that an office building of this size (2,021sqm) could directly support approximately 168 full time equivalent jobs if fully let. It is noted that full occupancy is unlikely to ever be achieved.*

### **Commentary on Proposed Uses**

*The proposal is for a change of use from Class 4 offices to sui generis aparthotel and Class 3 restaurant.*

*The city centre is an attractive location for an aparthotel given proximity to the City's main visitor attractions, core retail offering and transport hubs. Nearby uses include restaurant and hotel (George Street.) Queen Street itself has 109 houses and flats as well as leisure and retail offerings.*

*The site is 2,021 sqm in size with the proposal to have 187 apartments and a restaurant with a floorspace of 250 sqm. The proposal can be expected to create 35 full time equivalent jobs.*

*Data held by the Economic Development Service indicates that, on average, a visitor to the City who is staying overnight will spend approximately £81 per day. The benefit from this proposal in terms of increased visitor spend will depend on occupancy levels and Average Room Rates (ARR.) Based on 2014 figures by LJ Research, serviced apartments in Edinburgh can expect to achieve around 85% average occupancy levels and ARR of £114 pa.*

*It is acknowledged that there is a shortage of hotel bedrooms in Edinburgh. The City of Edinburgh Tourist Accommodation Audit 2012 advised that 9,000 additional beds are required by 2021. Ryden's 76th Scottish Property Review (April 2015) points to the fact that demand for office space in both Glasgow and Edinburgh has accelerated.*

*That said, it is also acknowledged that there is a growing shortage of office space resulting from strong demand, a weak development pipeline and the ongoing conversion of ageing office properties to other uses.*

*In November 2014, a research paper was presented to the Economy Committee looking at the shortage of office space in Edinburgh. It noted that the total supply of vacant office space in Edinburgh stood at 204,400 sqm in April 2014 (of a total supply of around 2,137,000 sqm.) Of this vacant space, around 119,000 sqm was in the city centre.*

*The paper also notes that the total office take-up in Edinburgh was 69,956 sqm in 2013 - the highest annual figure since 2007. In the second quarter of 2014, there was 220,160 sqm of take-up: 14,307 in the city centre and 5,853 out of town.*

*It is pertinent to note that whilst a city centre location may be preferred by some businesses when looking for office space, Edinburgh has other concentrated areas of high quality offices outwith the city centre, e.g. Quatermile, Edinburgh Park and so on.*

*The paper addresses the fact that Grade B office space is also important since not every business will require an open plan suite at a high cost. Grade B offices can't be built since construction costs are so high that prime rents would be required to stack it up meaning that older offices like Erskine House have a role to play. Refurbishing Grade B spaces seems the best way to address the growing shortage of Grade A office space.*

*Given that there is a tendency towards large floor-plates (as occupiers seek to consolidate their operations in Edinburgh on a single floor-plate within a single building) this building could provide consolidated space for more than one business over its seven floors.*

*On consideration of the sort of rents that office buildings in the area command, they appear to be mostly considerably below prime rents (£28 at April 2015.) This suggests that the office space in Erskine House might be more likely to be classified as Grade B, meaning that the owner would not be able to extract a prime rent from the property.*

*Kintore House (74-77 Queen Street) was renovated in April 2013 and is a Georgian property offering 3,400 sqm of open plan office accommodation. It was marketed at similar rates to Erskine House and also remains vacant.*

*That said there have been examples indicating that second hand office suites outwith the Exchange District are capable of commanding substantial rents if refurbished to Grade A standard. For instance, Waverley Gate secured a record £31 per sq ft rent from Microsoft for its Scottish headquarters in 2008.*

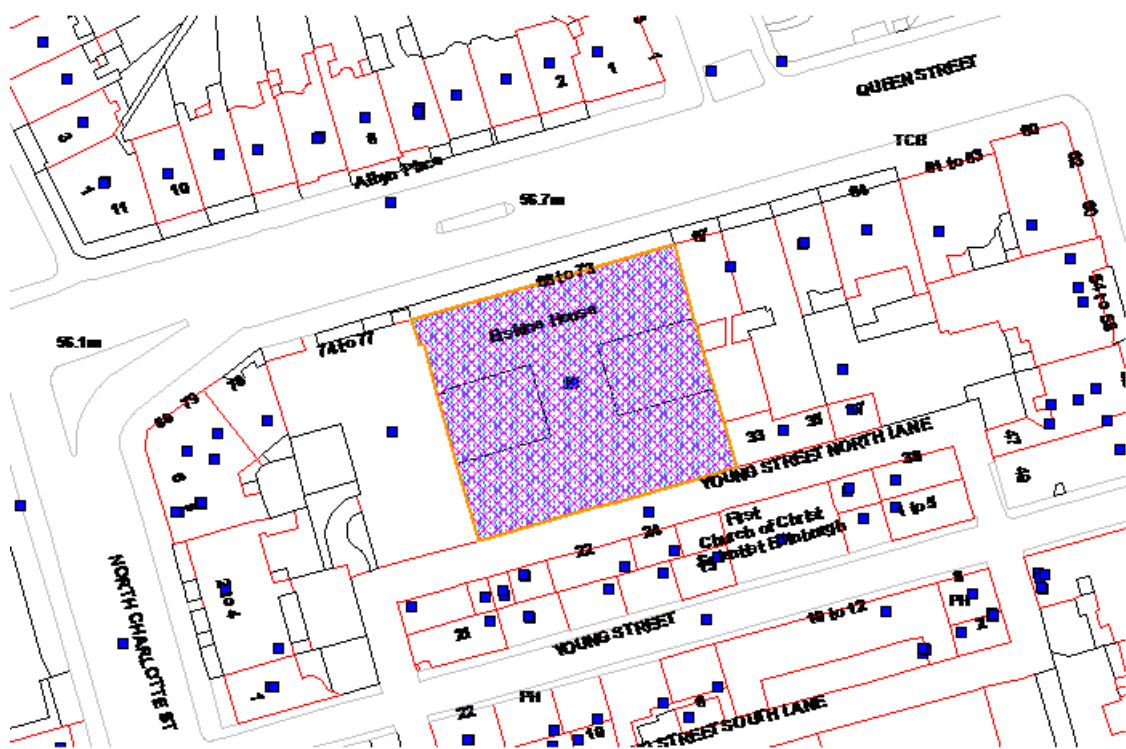
### **Summary response to consultation**

*A number of issues for consideration have been raised here:*

- o The proposed aparthotel would introduce 35 full time equivalent jobs, whilst as fully occupied office space the building would allow for 168 full time equivalent jobs (131 more jobs.)*
- o As well as being committed to providing opportunities for hotels across the City, the Council is also committed to creating and safeguarding jobs.*
- o A visitor staying in the aparthotel could be expected to contribute approximately £81 per day to the local economy which amounts to £29,565 per year.*

- o The aparthotel would provide 187 apartments to the city centre, a contribution to addressing the shortage of hotel beds.
- o At a time when there is a shortage of office space it perhaps does not make sense to remove this provision from the market.
- o Despite the shortage, the building appears to have encountered challenges in attracting large occupier requirements and premium rents.
- o Given that it is not possible to build Grade B office spaces, the preservation of those that exist (whilst they are still viable) is important and provides space to those businesses unable to pay the higher rents of Grade A spaces.
- o This building provides good quality, recently refurbished office space at a very reasonable rent within the city centre.

## Location Plan



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**END**