

**A REPORT ON THE OFFICE MARKET IN MAIDSTONE
AND
THE SUITABILITY OF 27 MOTE ROAD, MAIDSTONE
AS A SITE TO MEET FUTURE DEMAND FOR OFFICES**

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EXECUTIVE SUMMARY

- The office market in Maidstone has been largely stagnant for the last 25 years with very little new development taking place during that time, especially in the Town Centre. Rents for the best space are, broadly speaking, at the same level now as they were in the early 1990s and up until 2014 there was an enormous amount of vacant out dated space on the market.
- The conversion or proposed conversion of over 37,000 sq m of second hand office space to housing under Permitted Development Rights or to other alternative uses since 2014 has, to some extent helped to rebalance supply and demand in the market.
- Maidstone is no longer a target town for occupiers with a regional requirement, facing as it does overwhelming competition from both Kings Hill and Ashford, and the take up of space is now largely driven by tenants in existing offices in the Town growing, downsizing or relocating from buildings being converted to housing.
- In the last 10 years the take up of space has been dominated by small units of less than 185 sq m. With the exception of Maidstone Borough Council's relocation to Maidstone House, there has not been an office letting of more than 1,850 sq m in the Town Centre since 2004 and in the last 5 years there has been only one other letting of more than 925 sq m.
- I estimate the take up of office space in 2016 will be 2,750-3,250 sq m. I do not expect this annual take up rate to increase in the foreseeable future.
- The stock of available office space is currently about 12,550 sq m in a range of sizes and with a range of specifications. In addition to the existing space, there is designated land available at Eclipse Park and Turkey Mill able to provide a total of 7,245 sq m in a number of buildings and in a range of sizes. These sites are suitable, available and achievable

- An allocation for an 8,000 sq m office building at 27 Mote Road is neither suitable nor achievable. In order to be financially viable a large part, if not all, of the office space would need to be pre let for a term without breaks of at least 15 years and at a rent in excess of £215 per sq m. This was not achievable when planning permission was granted for such a scheme in 2005, has not been achievable since and, based on the available evidence, has no prospect of being achievable in the foreseeable future.
- For the site to be developed, any proposed use would need to produce a return greater than that currently generated by its use as a car park. In the current market the schemes most likely to be viable would be either a residential scheme or a mixed use scheme involving residential on the upper floors with a commercial element (be it retail, leisure or offices) below.
- If it is felt necessary to allocate land for new offices in the Town Centre, there are sites more suitable than 27 Mote Road, which is not easily accessible by car due to its position on the one way system and is on the opposite side of the town centre to the railway station. These include Maidstone East Station which is very well located and the King Street Car Park Site owned by Maidstone Borough Council both of which could incorporate an ancillary office element.

1.0 INTRODUCTION

- 1.1 I have been instructed by London & Cambridge Properties to provide a commentary on the office market in Maidstone as a whole and report on the potential for 27 Mote Road, Maidstone to meet future demand for office space in the Town Centre.
- 1.2 I am a Chartered Surveyor and Registered Valuer with 31 years of experience dealing with commercial property in Maidstone and the surrounding area, spending 2 years at Kent County Council and 11 years at Lawson Price before starting my own Practice in 1999. During this time I have dealt with numerous office lettings, sales, rent reviews and lease renewals in the Town. I was based in Maidstone from 1985 to 2005 when I relocated to Kings Hill at West Malling.
- 1.3 In preparing my report, as well as using my own experience and knowledge of the market, I have reviewed the Economic Sensitivity Testing & Employment Land Forecast (February 2014) and Qualitative Employment Site Assessment (September 2014) prepared by Messrs GVA for Maidstone Borough Council and the Council's 2016 Local Plan Employment & Retail Topic Paper.

2.0 REVIEW OF THE OFFICE MARKET IN MAIDSTONE

- 2.1 With its status as the County Town, historically the demand for office space in Maidstone was based on the Public Sector including Maidstone Borough Council, Kent County Council, Central Government Departments and the NHS, together with occupiers from the insurance and banking sectors
- 2.2 Whilst some are older, most of the large office buildings in the town including Kent House, (6,300 sq m), Medvale House (4,550 sq m), Concorde House (4,275 sq m), Miller House, (5,670 sq m) Coleman House (3,715 sq m) and Stoneborough House (6,040 sq m) date from the 1960s and 1970s.

The early/mid 1980s

- 2.3 During the early/mid 1980s a cluster of buildings in Albion Place each comprising 745-1,115 sq m with an average floor plate of about 185 sq m were developed including Cormorant House (District Valuer), Sun Life House (Sun Life Insurance), Orchard House (Coopers and Lybrand), Marsham House (Mercantile Credit), Brecon House (Friends Provident & AXA) and

Ascot House(Sun Alliance & Friends Provident). Other buildings dating from this period included Brenchley House (6,690 sq m), Chaucer House (1,395 sq m let to Link Insurance, First National Bank and Zurich Insurance) and Romney Court (695 sq m let to Lambert Fenchurch, Crawford THG and Britannia Life).

Late 1980s/early 1990s

- 2.4 The economic boom of the late 1980s/ early 1990s saw a number of new buildings developed both in the Town Centre and on the outskirts. In the town centre Municipal Mutual developed 6,040 sq m at 1 Sessions House Square for its own occupation whilst other developments included Kestrel House (1,580 sq m let to Commercial Union and Acuma), Link House (2,045 sq m let to Link Insurance), Gail House (1,950 sq m let to Allied Dunbar, Cornhill Insurance and Equitable Life), Bishops Terrace (2,600 sq m let to Kent County Council), Priory Gate (1,485 sq m let to the Crown Prosecution Service), NFU House (1,670 sq m mostly owner occupied by NFU), Vaughan Chambers (835 sq m let to Prudential, General Portfolio & United Dominions Trust) and 1-8 Fairmeadow (1,810 sq m let to Norwich Union),
- 2.5 To the south of the town centre, South Park Business Village comprising 3,250 sq m in 12 buildings was developed with individual buildings being let or sold to occupiers including Pearl Insurance, the DOE, Albany Life and the Salvation Army whilst Kings Row comprising 1,020 sq m in 6 buildings was let to occupiers including Scottish Provident and Norwich Union
- 2.6 On the 20/20 Estate near J5 of M20, Centre 3000 was developed. Comprising 2,790 sq m in 7 buildings the scheme was let to occupiers including Abbey Life, Halifax, Reliance Mutual, Lombard North Central and Eagle Star
- 2.7 During this boom period rental levels for new space ranged generally between £193 and £237 per sq m with tenants taking 25 year leases without breaks and receiving minimal rent free periods.

Early 1990s/2008

- 2.8 The recession of the early 1990s brought the office market in Maidstone to an abrupt halt and it has remained largely stagnant ever since.
- 2.9 Very few buildings have been developed since the early 1990s and of those that have most have been pre-let and/or located outside the Town Centre.

- 2.10 In 1998 Victoria Court in Ashford Road comprising 1,210 sq m was pre let to Davies Lavery Solicitors who were relocating from London Road on a 17 year lease and at a headline rent of £183 per sq m.
- 2.11 In 2003/04 County Gate 1 (2,185 sq m) and County Gate 2 (1,625 sq m) in Stacey Street were speculatively developed to coincide with the improvement in the economy at that time. County Gate 1 was let to Trillium for use as a Job Centre Plus merging operations from a number of sites including premises in Gabriels Hill and Rocky Hill whilst County Gate 2 was let to Royal Bank of Scotland and Towergate Insurance. This development is perhaps the best located in the town being very accessible by car (dual carriageway directly to J6 M20), by rail (within a short distance of Maidstone East Station) and to the town centre shopping facilities. Trillium took a lease for 13 years 7 months without breaks at a headline rent £210 per sq m whilst RBS and Towergate each took 15 year leases with 10 year breaks at headline rents of £215 & £226 per sq m.
- 2.12 In 2005 Tolherst Court at Turkey Mill, Ashford Road comprising 1,300 sq m in 5 units was developed with approximately 50% of the space being pre-let.
- 2.13 In 2006 Phase 1 at Eclipse Park at J7 M20 was developed comprising three buildings all either pre let or pre-sold to occupiers relocating from elsewhere in Maidstone. Unit 1 (1,515 sq m) was pre-let to ASB Law who relocated from a number of older buildings in Mill Street at a headline rent of £242 per sq m, Unit 2 (930 sq m) was pre-let to Day Smith & Hunter Accountants who relocated from Star House in Pudding Lane and Unit 3 (790 sq m) was pre sold to DHA Architects who relocated from Loose Village. In 2008 Phase 2, comprising a site for 2,550 sq m, was sold to Towergate Insurance for its own development and occupation who were relocating and expanding from County Gate 2,
- 2.14 A number of buildings have been developed at Hemitage Court near J5 M20 since 2009. In 2009 MCCH relocated from old space in St Peters Street to Unit 1. Other buildings were taken by occupiers including the NHS before the last phase comprising buildings G and H was completed in 2013. Unit G was let to Superior Care who relocated from Holbrook House in Bank Street and Student Support whilst Unit H (490 sq m) was let to Havas Shared Services who relocated from Concorde House in London Road. Havas took a 10 year lease with a tenant only break at year 5 at a headline rent of £205 per sq m.

Competition from other Centres

- 2.15 As GVA conclude, Maidstone is no longer a target town for occupiers with a regional requirement, facing, as it does, overwhelming competition from both Ashford and Kings Hill.
- 2.16 In Ashford, Eureka Park at J9 M20 is a 40 ha business park where over 28,000 sq m has already been developed and outline consent for a further 110,000 sq m exists.
- 2.17 The development of Kings Hill at J4 M20 as a sustainable community comprising housing, employment, retail and leisure started in 1989 and has been very successful. The office element of the scheme has been developed in phases throughout the period and has continually attracted occupiers both from outside the area and from Maidstone.

Average Size of Office Requirement

- 2.18 The two largest office transactions in the last 20 years have been Kent County Council's relocation from Springfield to the 6,040 sq m 1 Sessions House Square in 1997 and Maidstone Borough Council's relocation from Tonbridge Road/London Road to approximately 3700 sq m in Maidstone House (the renamed and refurbished Stoneborough House) in 2008. Whilst Towergate bought a site and had 2,550 sq m developed for its own occupation at Eclipse Park in 2008, there has not been a letting of 1,850 sq m or more in the Town Centre since Trillium took County Gate 1 in 2004.
- 2.19 GVA state that since 2007 take up of office space in the Town has been dominated by small units of less than 185 sq m, with such lettings representing between 63% and 85% of annual demand. In the last 5 years there has been only one letting of more than 930 sq m (MHA MacIntyre taking 985 sq m in Victoria Court in 2015) and very few lettings over 465 sq m. In contrast, at Kings Hill there have been lettings to A One+ (1,485 sq m), Mortgages For Business (790 sq m), Arthur J Gallagher (930 sq m) and Travel Insurance Facilities (1,670 sq m) in the period since January 2015 alone.

Over Supply of Second Hand Accommodation

- 2.20 With increasing competition from other centres and the demand for town centre offices falling, the supply of under specified, second hand space steadily increased. In Sept 2014 GVA reported the amount of space available had reached 42,000 sq m. Whilst this figure may not have been completely accurate due to errors in counting (in the same report GVA commented that "*Kent House currently has around 9,800 sq m of space available*" - I was the letting agent for Kent House between 2008 and 2015 when it was sold. The building as a

whole comprises 6,352 sq m and in September 2014 there was a total of 2,675 sq m available), there was nevertheless a very large amount of vacant space. GVA also reported that a significant amount of the available stock was incapable of being used and adjusted its availability figure by removing all space that had been on the market for more than 5 years. This resulted in an availability figure of 16,900 sq m.

Effect of Permitted Development Rights & Other Changes of Use

2.21 Permitted development rights allowing a change of use from offices to residential were introduced in 2013 primarily as a way of increasing the housing stock nationally. Many freeholders have taken advantage of these provisions and in its 2016 Local Plan Employment and Retail Topic Paper, Maidstone Borough Council reported and that since 2014 in total nearly 33,000 sq m of town centre office space has either been converted to residential or had consent to be converted. Together with many smaller ones, a significant proportion of the bigger buildings in the town, including the majority of those developed before and during the 1960s & 1970s and some from the late 1980s boom, have either been converted to residential use, been emptied of office tenants by new owners intending to convert to residential or been converted to other alternative uses. These include

- Star House, Pudding Lane (2,230 sq m) – converted to residential
- Concorde House, London Road (4,275 sq m) – converted to residential
- London House, London Road (2,695 sq m) – converted to a hotel
- Miller House, Lower Stone Street (5,665 sq m) – currently being converted to residential
- Brenchley House, Week Street (5,760 sq m) - being emptied of office tenants ready for conversion to residential
- Kent House, Romney Place (6,315 sq m) – emptied of most office tenants and currently being converted to residential
- Chaucer House, Knightrider Street (1,210 sq m) – acquired by Retired Accommodation Provider
- Link House, Knightrider Street (2,045 sq m) – converted to residential
- Bishops Terrace, Bishops Way (2,600 sq m) - currently being converted to residential
- NFU House (1,670 sq m) - converted to NHS Centre
- 26-28 Albion Place (650 sq m) - currently being converted to residential
- Cornwallis House (2,045 sq m) - being emptied of office tenants ready for conversion to residential
- Idenden House (1,300 sq m) - converted to residential

- 28 Medway Street/21-22 Fairmeadow (1,115 sq m) - currently being converted to residential

2.22 This has to some extent helped to rebalance supply and demand but those occupiers who were made to vacate space have been able to relocate to other existing office buildings in the town. Taking Kent House as an example, Questgates moved to South Park Business Village, Influential Software moved to Maidstone House, Hays Personnel moved to Coleman House and Nelson Policies at Lloyds moved to Knightrider Chambers. Whilst some smaller space users, including Bishop Whitehead, chose to relocate out of Maidstone, most stayed in the Town Centre taking space in buildings such as the former St Faith Street Library that has been refurbished to provide serviced office accommodation.

3.0 THE CURRENT MARKET

Current Annual Take Up of Space

- 3.1 Using Co Star as its source GVA list the take up of office space since 2012 as being: 2012 - 4,292 sq m in 27 transactions, 2013 – 4,134 sq m in 26 transactions and 2014 (up to June) 3,855 sq m in 17 transactions. Looking at the subsequent Co Star data, the total for 2014 appears to be given as 5,393 sq m in 35 transactions, whilst 2015 is given as 5,655 sq m in 31 transactions.
- 3.2 Co Star relies on the information it is given and very often this information can be lacking in detail or given inaccurately. As an example, I have looked at the comparable information available from Co Star for 2016. Of the 24 transactions listed the most common description is that an unknown tenant has taken a stated amount of space from an unknown landlord on confidential terms. Only 3 tenants are named, all rents apart from one are listed as asking rents and the lease terms achieved is given only once.
- 3.3 The 24 comparables listed comprise a total of 5,510 sq m. However of these, 6 transactions totalling 2,887 sq m involved office buildings that were in fact converted to residential and one, of 785 sq m that was part workshop/ part office and was let to a leisure operator. This therefore reduces the office space take up to 2,624 sq m. At least four of the remaining transactions listed took place in 2015 rather than 2016 (I know as I was the letting agent) leaving at most 15 transactions totalling 1,945 sq m in the year to date. The last transaction listed was for September and there are still 4 months of the year to go, but if all the

properties currently listed by agents elsewhere as being under offer complete before 31st December, the total take up for the year will still be only 2,787 sq m.

Current Rental Levels

- 3.4 Giving Co Star as its source GVA estimated average achieved office rents since 2011 as being: 2011 £80 per sq m, 2012 - £118 per sq m, 2013 £116 per sq m and 2014 (up to June) £126 per sq m. As stated above the information given to Co Star rarely has details of net rents achieved and for this reason the estimate can only be based on quoting rents which in my experience often bore no resemblance to the net rents particularly on second hand stock.
- 3.5 The last "large" letting of good quality space in the Town Centre, indeed the only letting of more than 930 sq m in the last 5 years, was of Victoria Court in 2015 where MHA McIntyre took 985 sq m at a headline rent of £194 per sq m. They have subsequently been marketing two surplus suites of 148 sq m each quoting £205 per sq m. Other similar quality space is currently available at the same level. Reasonable refurbished accommodation is now achieving £130 -150 per sq m whilst basic 1980s space in Albion Place is achieving £80 - 97 per sq m.
- 3.6 When headline rents for the best quality space are broadly speaking at the same level as 25 years ago (if construction costs followed RPI over the same period they would have doubled), GVA's observation in September 2014 that rents are "significantly below levels that would attract new speculative development" remains true

Current Lease Terms

- 3.7 When ABS Law and Day Smith Hunter took new build space at Eclipse Park in 2006, they were able to negotiate multiple break clauses This was at a time before the financial crash of 2008 when the economy was buoyant and the owner/developer of the land felt able to "take a view"
- 3.8 When Victoria Court was let in 2015 the lease included a break demonstrating that tenants still require and are able to negotiate relatively short terms certain.

4.0 FUTURE DEMAND & SUPPLY

Demand

- 4.1 As already demonstrated the majority of the buildings developed since the early 1990s were occupied both originally and subsequently by companies already based in the town and most of the older second hand stock let in recent years has also gone to local companies with an average space requirement of less than 185 sq m and a dearth of lettings over 465 sq m. I see no reason why this trend should change and agree with GVA's opinion in September 2014 that:-

"predominantly, future demand for commercial floor space will be driven by "local" moves as business{sic} start up, expand or seek new premises within the borough. Whilst there is potential for some inward investment from outside of the area this is unlikely to be the major demand driver. As such, in the future, it is likely that demand trends will reflect those of the recent past.

The predominant nature of take up of office space suggests that demand for space in the future will require smaller units or purpose built, multi tenant stock. This reflects the concentration of small businesses within the borough, the focus of office occupiers (mostly smaller professional service firms) and the lack of strategic market interest in Maidstone as a 'back office' location for financial or insurance services.

Therefore, in qualitative termsIt is likely that units up to 500 sq m will be required to meet future demand."

- 4.2 In terms of future take up, in my opinion any additional buildings converting to housing using Permitted Development Rights are more likely to be vacant before the process starts and therefore the number of occupiers based in the Town being forced to move will be relatively few compared to recent years. Accordingly I predict that take up in the future is unlikely to be more than 2,785-3,250 sq m per annum.

Supply -Existing Buildings

- 4.3 Using a numbers property search and agent web sites I calculate there is currently approximately 12,550 sq m of existing space on the market in Maidstone. This varies in terms of size and specification ranging from basic space above shops to the refurbished early

1990s Priory Gate offering a total of 1,564 sq m in 8 self contained units of between 153 sq m and 304 sq m and up to 2,198 sq m of "Grade A " space in County Gate 2.

- 4.4 With rents for second hand space seeing some modest increases and tenants willing to commit to taking slightly longer lease terms, (where a tenant might previously have insisted on annual breaks it will now consider taking 2- 3 years term certain, where it previously wanted a break after 2-3 years it may now commit to 5 years or agree to pay a penalty to break earlier), landlords with existing stock are now more likely to consider investing funds to refurbish space rather than just leaving it empty. As a result the stock now available is more likely to be able to meet occupiers' requirements in the future.

Supply –Land Actively Available

Eclipse Park

- 4.5 Whilst the site for a consented 5,295 sq m office building at Eclipse Park was instead developed as a Next Retail Store, pre let opportunities totalling 4,837 sq m in 3 buildings of 1,345 sq m, 1,540 sq m and 1,952 sq m remain available.

Paul Sandby Court, Turkey Mill

- 4.6 Turkey Mill comprises a mixture of refurbished former mill buildings and new build space accessible both to the Town Centre and J7 M20. When GVA reported in September 2014, the site had consent for an additional 1,632 sq m. In June 2016, however, an alternative scheme was granted approval for 2,448 sq m (three storeys instead of two) and capable of sub division to suites of 167 sq m.

Supply – Other Potential Sites.

Eclipse Park

- 4.7 In addition to the plots currently being offered for office development Eclipse has additional land. One was previously granted consent for a hotel and the other is currently subject to a planning application for a new Waitrose Supermarket. Both sites would be suitable for further office development.

Maidstone Studios, New Cut

- 4.8 GVA reported in September 2014 that the Maidstone Studio Complex at New Cut had the potential to provide an additional 4,000 sq m of office space. As at 2016 only 1,000 sq m had been built.

KIMS/Maidstone Medical Campus, Newnham Park

- 4.9 This site has outline consent for 98,000 sq m of medical related uses including B1.

Woodcut Farm, Bearsted

- 4.10 Whilst an outline planning application for a mixed use business park has recently been refused, Maidstone Borough Council's decision to allocate the site in the Local Plan for up to 47,750 sq m of employment uses including offices suggests it will be able to provide office accommodation in the future.

Maidstone East/ Royal Mail Sorting Office

- 4.11 A recent planning application has been submitted to include a large foodstore, non food retail units, flexible units within A1, A2, A3 A4 and A5 and a petrol filling station. This would also be an excellent location for offices adjoining as it does the County Gate Development.

King Street Car Park

- 4.12 This site is owned by MBC and currently used as a surface car park following demolition of a 1960s supermarket/multi storey car park. In its Employment & Retail Topic Paper MBC say it is not currently being marketed for development but it will be kept under review and the Council would respond positively to approaches from retail developer
- 4.13 The site occupies what would be a secondary retail pitch and an office or mixed used scheme to include offices would also be entirely appropriate.

Springfield

- 4.14 Although the owner of this site is, I understand, about to submit a planning application for a further 300 homes, the element of the site in question has had consent since 2006 for a scheme to include an office element.

5.0 27 MOTE ROAD

Past History and Planning

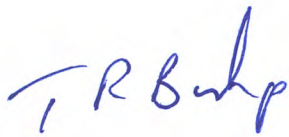
- 5.1 The site at 27 Mote Road extends to 0.97 acre and planning permission was granted in March 2005 for an 8,300 sq m 9 storey office building.
- 5.2 Before, during and after planning permission was granted, the proposed office accommodation was actively marketed and initial interest was received from Maidstone Borough Council which was considering options to relocate its staff from dated buildings in Tonbridge Road and London Road, and from ACE Insurance who occupied a large part of Kent House and were looking for more modern space and to relocate staff from London. Maidstone Borough Council shortlisted the site but instead moved to Stoneborough House (now renamed Maidstone House) whilst ACE decided instead to close its Maidstone operation entirely.
- 5.3 No further interest was received and the planning permission lapsed in 2010. The site is currently operated as a car park.

Suitability of the Site to Meet Future Demand

- 5.4 GVA's Qualitative Employment Site Assessment Report of September 2014 highlights that in identifying sites for economic development those sites need to be "suitable, available and achievable" In other words there is no point in a site being designated for office development if in reality there is no reasonable prospect of it being built.
- 5.5 The fact that LCP did not seek to renew the 2005 planning permission demonstrates very clearly that the office scheme was not considered viable in 2010
- 5.6 For any office development to be viable there must be an identifiable demand for the proposed space. With a scheme able to be built in phases it is sometimes viable to develop buildings speculatively but unless there is a booming economy and a huge amount of inherent demand, the larger the buildings the less likely they are to be built on this basis. For this reason individual buildings of perhaps 465 sq m like those at Hermitage Court at J5 M20 have been built speculatively even during the recession but larger buildings such as those consented at Eclipse Park (the two sites have the same owner) have not.

- 5.7 If it has not been viable to develop a 1,395 sq m building speculatively at Eclipse Park it is plainly not viable to build 8,300 sq m speculatively in the Town Centre. In my opinion, in order to be fundable and therefore financially viable, at least three quarters of the building, if not all of it, would need to be pre let on institutionally acceptable terms ie for a minimum lease of 15 years without breaks and at a rent in excess of £215 per sq m. Whilst it is conceivable that rents for new space will increase above £215 per sq m and that a hypothetical tenant for 6,225 sq m might commit for 15 years, the commercial reality is that a hypothetical tenant will remain just that- hypothetical.
- 5.8 As demonstrated, demand for space in Maidstone has been weak for many years and dominated by occupiers requiring less than 185 sq m. There have been few requirements for over 465 sq m in the last five years and only one letting in the Town Centre of more than 930 sq m. With the exception of Maidstone Borough Council's relocation, the last letting of 1,860 sq m in the Town Centre took place in 2004. With Maidstone no longer being a target town for occupiers with a regional requirement, this pattern of demand is set to continue in the foreseeable future and accordingly, I conclude there is no prospect of securing such a pre-let and therefore no prospect of an 8,300 sq m building ever being developed.
- 5.9 Theoretically it is conceivable that a smaller office scheme could be developed on the site perhaps in a number of buildings. The difficulty however is it would still need to be viable. As an office location the site is not easily accessible by car due to its position on the one way system and although it is near the Bus Terminal in the Mall Shopping Centre it is on the opposite side of the town centre to the railway station. As well as having to compete with Eclipse Park and Paul Sandy Court at Turkey Mill it's location within the town centre is inferior to the existing good quality office space available at both Priory Gate and County Gate. More importantly, in order to be viable any scheme on the site would need to produce a return on capital greater than that currently produced by the existing car park use. In my opinion a small scale office scheme could not produce the economies of scale necessary to meet this criterion.
- 5.10 In the current market the most likely schemes to make development viable would be either a residential scheme or a mixed use scheme involving residential on the upper floors with a commercial element (be it retail, leisure or offices) at ground and perhaps first floors

- 5.11 If it is felt that land should be specifically designated for office development in the Town Centre, in my opinion there are alternative sites more likely to be suitable, available and achievable. In particular consideration should be given to making an allocation at the King Street Car Park Site owned by Maidstone Borough Council where offices could be ancillary to a ground floor retail parade or at Maidstone East where a mixed use scheme not reliant on the office element being the driving force would be entirely appropriate.

A handwritten signature in blue ink, appearing to read 'T. R. Bishop'.

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Bishop Whitehead

Date 17-10-16