**80 George Street, Richmond**

**Justification for an Additional Floor and Extension to the Rear**

The building has been allowed to fall into disrepair with the previous tenant, House of Fraser, failing to invest in it since 1976 having walked away from their repairing obligations upon going into Administration in 2018. Sports Direct are currently in occupation under a short-term lease expiring in September 2020.

As there is no longer demand for a department store, the principle of repurposing the upper floors was established at an initial meeting with Paul Chadwick on 22 August 2018 when the Council expressed a preference for non-residential use with an emphasis on employment generation.

Refurbishment of the existing building will entail the removal of the asbestos which is present throughout; the strip out of the tenants fit out; renewal of all glazing; cleaning and repairing the façade; renewal of all of the building services and roof coverings, and reinstatement of the historic frontages to Paved Court. The cost of these works will be in excess of £20 million. This capital needs to be funded by the income that can be generated from reletting the building.

Retaining retail use on the lower floors limits the potential income that can be generated in the current retail marketplace due to the low rents, short lease terms and substantial capital incentives being offered to retailers to come to the town.

Although there are some office vacancies in Richmond, there is office no space available with the large floor plates now required by major occupiers. This has led to previous Richmond occupiers such as BAT and Phillip Morris having to relocate to Chiswick Park and Hammersmith, where this type of space is available. There are limited buildings in Richmond town centre that individual floors over 10,000 sq.ft and currently no buildings , with the exception of Sovereign Gate which has smaller floor plates, able to provide space in excess of 20,000 sq.ft. In order to attract international businesses to Richmond and to retain existing occupiers such as Ebay, PayPal (who have instructed agents to look at their property options) and Reed, there is a need for modern large scale accommodation .

Workplace culture has changed with an increasing focus from occupiers on recruiting and retaining the best staff. As such, occupiers are demanding that landlords provide amenities for employees such as bike storage, lockers, drying rooms, showers, changing facilities, break out areas and access to outside space. These amenities use lettable space and their provision only becomes viable in terms of initial capital, and ongoing service charge costs, if there is sufficient lettable floor space to spread the costs.

The additional floor will provide exceptional space within the building, being fully glazed on three sides, with far reaching views, and a roof top terrace that is required in order to compete with the best new offices in alternative locations.

The viability of the scheme is dependent upon generating sufficient funds to pay for the refurbishment which is a function of the quality and the quantum of the space available to let, both of which are substantially greater with the fourth floor. Without the fourth-floor, alternative more profitable uses would need to be considered such as residential.