Planning Inspectorate

Appeal Decision

Site visit made on 29 June 2026

by Claire Coles MRTPI

an Inspector appointed by the Secretary of State

Decision date: 19th October 2026

Appeal Ref: 6007051
Bentley House, North Heath Lane Industrial Estate, North Heath Lane, Horsham RH12 5QE

- The appeal is made under section 78 of the Town and Country Planning Act 1990 (as amended) against a failure to give notice within the prescribed period of a decision on an application for planning permission.
- The appeal is made by Coldunell Ltd against Horsham District Council.
- The application Ref is DC/26/0024.
- The development proposed is change of use of building to provide 9 residential units.

Decision

1. The appeal is dismissed and planning permission is refused.

Preliminary Matters

2. The appeal results from the Council's failure to determine the planning application within the statutory period. The Council have subsequently confirmed they would have refused the application and set out the reasons for recommending refusal. I have drawn on these and representations received from interested parties to inform the main issues in this appeal and have assessed these against the policies provided by the Council.

3. I have sought comments from the main parties on the relevance of the changes to the National Planning Policy Framework (the Framework) dated 17 August 2026 and on the proposed modifications to Strategic Policy 30 of the Emerging Local Plan to this appeal. I have taken these into account in my decision.

Main Issues

4. The main issues in this appeal are:

- Whether the proposed development would provide acceptable living conditions for the future occupants, with regard to its location within an industrial estate;
- The suitability of the location for residential use; and
- The effect of the proposal on the supply of employment floorspace.

Reasons

5. Bentley House is a purpose built two-storey office block located within North Heath Lane Industrial Estate which lies approximately 1.5 miles north of Horsham town centre within the defined Built-Up Area Boundary (BUAB) of

Horsham. The estate comprises a mix of two-storey office buildings and terraced industrial units set around a central access road with surface level parking and circulation space.

6. Bentley House is positioned towards the rear (southern end) of the estate, set behind the central terrace of industrial units. The estate is surrounded on its outer boundaries by established residential development, with Pondtail Park forming the southern boundary. The surrounding character is therefore mixed, comprising industrial/commercial activity within the estate itself, with residential areas beyond.

7. Bentley House is currently vacant but its previous use was as office accommodation. The proposal seeks planning permission to change the use of the space into residential use forming 9 residential units. No significant alterations to the external envelope are proposed beyond those necessary to facilitate residential use. Associated works include provision of parking, cycle and refuse storage.

Living conditions for the future occupants

8. Policy P3 of the Framework requires development proposals to provide healthy living conditions for occupiers and users and to avoid exposure to unacceptable levels of noise and other forms of pollution.

9. The appellant notes that the proposed development meets minimum nationally described space standards, every habitable room has a window and the Horsham District Planning Framework (HDPF) does not secure a certain standard of accommodation for proposed occupiers or require external space. Technical mitigation measures would also address potential noise considerations from the surrounding industrial estate. However, this does not automatically equate to the site being suitable for residential development.

10. The main outlook from the proposed development would be over the industrial estate with the associated servicing areas, access roads, parking courts and operational activities. Future occupiers would experience the effects of living on an active industrial estate with associated activities taking place directly outside the building. Even taking account of the controlled hours, the surrounding environment would be fundamentally commercial rather than residential.

11. The lack of amenity space associated with the premises offers little opportunity to improve the setting of the building to make it more appropriate for the proposed use or provide any meaningful private outdoor amenity space. The proposed occupants of the building would feel like they were living on an industrial estate.

12. It is also the case that the living conditions of the occupants would be dependent on the activities taking place within a functioning industrial estate where the emphasis would be on commercial rather than residential interests.

13. The proposed development would conflict with Policy 33 of the HDPF and Policy P3 of the Framework as the proposed use would not provide suitable living conditions for the proposed occupiers of the development.

Suitability of the location for residential use

14. Policy 33 of the HDPF seeks to make the most efficient use of land and prioritise the use of previously developed land and buildings whilst respecting any constraints that exist. Development should be designed to avoid unacceptable harm to the amenity of occupiers/users of nearby property and that the development is appropriate in scale and of a high standard.

15. Policy L2 of the Framework provides that substantial weight should be given to proposals which make better use of vacant and underutilised land and buildings, including the redevelopment of underutilised business sites and the bringing forward of vacant buildings. Policy P4 of the Framework provides that existing businesses should not have unreasonable restrictions placed upon their operation as a result of development approved after those businesses were established. Development proposals are required to demonstrate that they can be integrated effectively with existing business activities and that suitable mitigation can be provided where potential conflicts arise.

16. Policy DP3 of the Framework requires development proposals to respond to their context so that they integrate with and enhance their surroundings, support healthy, mixed, vibrant and integrated communities.

17. The appeal site is located within the BUAB where development is generally directed in order to support sustainable patterns of growth. The site is on the edge of an industrial estate and access to the building is through the industrial estate. There is residential development to the southeast of the building, a park to the south and industrial estate to the west, north and east.

18. The location of the premises on the edge of the estate, adjacent to residential development would limit the effect of the proposed change of use on neighbouring properties, both residential and commercial. However, the proposal would be located on an active employment estate characterised by commercial activity, servicing movements and general noise and disturbance. The premises does not have any significant relationship with the park or residential uses to the south and southeast due to the boundary screening between the two and the orientation of the building.

19. The Noise Impact Assessment submitted with the application concludes that intermittent commercial activity could at times, produce rating levels above the prevailing background sound level, although it is noted such impacts are limited in duration and magnitude. Mitigation is proposed through air-conditioning or mechanical ventilation allowing the proposed occupants to keep windows shut during noisier periods. I am not satisfied that having to keep windows shut to minimise disturbance from noise is an appropriate mitigation strategy as although the temperature of the rooms can be controlled, most occupiers would want the ability to open windows without fear of noise and disturbance from neighbouring uses.

20. I note the restrictions on the hours of work and traffic movements on the estate which would limit conflict with the proposed change of use. The appellant has also confirmed that the majority of the units on the industrial estate are in E (g) use and capable of being carried out in a residential area. However, I have not been provided with substantial evidence that would guarantee the future uses of the units would not be harmful to the living conditions of the proposed occupiers. Regardless, the location on the edge of the industrial estate would still be likely

to give rise to conflict in terms of general noise and disturbance between the existing uses and the proposed use, as confirmed by the noise report. The introduction of residential use in this location could also prejudice the continued operation of the wider industrial estate by existing commercial occupiers who may be concerned about complaints regarding general activity from the occupiers of the proposed development.

21. Whilst the appellant considers the existence of the prior approval regime to be a material consideration, it is also the case that the prior approval system does not allow for the change of use of office accommodation to residential without first considering noise impacts from nearby commercial premises on the proposal. Therefore, even if permitted development rights exist at the premises, it is not a foregone conclusion that prior approval would be granted due to the potential effect from noise of the nearby commercial premises.

22. In conclusion, the proposal would conflict with Policy 33 of the HDPF and Policies P4 and DP3 (2) of the Framework insofar as it would result in an awkward juxtaposition between the existing occupiers of the industrial estate and potential occupiers of the proposal. There would be potential for the existing uses to harm the proposed use leading to complaints regarding noise and disturbance in particular. This could ultimately undermine the future of the estate for continued employment uses and would not contribute towards creating integrated communities.

Effect of the proposal on the wider employment site

23. Policy 9 of the HDPF seeks to protect employment sites and premises from unjustified loss and requires proposals involving the redevelopment of employment sites outside designated Key Employment Areas (KEA) to demonstrate that the site is no longer needed and /or viable for employment use. The site is not currently identified as a KEA in the HDPF but is identified as a proposed KEA in Strategic Policy 30 of the emerging local plan, which seeks to protect the integrity and function of such areas and resist proposals resulting in the unjustified loss of employment floorspace.

24. The appellant is challenging the inclusion of the site as a KEA in the emerging local plan through the local plan process and the evidence base which informed Strategic Policy 30. The appellant's position is that the designation of the North Heath Lane Industrial Estate (the estate) as a KEA would not be sound and that the main modifications do not resolve the matters raised by the appellant in respect of the proposed designation. The appellant cites the following reasons as to why the estate should not be included as a KEA:

- The estate is not viable for employment use;
- The existing conditions and controls on the land restrict the ability of occupiers to carry out operations in a manner consistent with modern working practices;
- The proposed justification for the designation of sites was based on their use for industrial, storage and distribution and uses falling within E(g)ii/iii. The majority of the buildings within the estate were conditioned or operating as offices and therefore the justification for the allocation and protection afforded does not appear relevant;

- The age and evidence used in the justification for the estate being a KEA is outdated having been established before and during the Covid-19 Pandemic and is not reflective of subsequent changes to the jobs market.

25. The appellant has advised that the lead tenant on the estate has now begun the process of exiting the estate as a whole as they have found an alternative location. In addition, the occupiers of other buildings have also begun the initial steps to exit, the result of which is that it would be likely that there would be a complete vacancy of the estate within 12-18 months. The appellants contend that the allocation of the estate as a KEA would result in underutilised and vacant buildings that could otherwise be redeveloped in an appropriate manner.

26. The appellant further objects to Main Modification 121 of the emerging local plan which seeks to include offices as being protected in KEA and questions the evidence base to justify the inclusion of offices within employment sites.

27. Policy DM4 of the Framework states that relevant policies in emerging development plans may be given weight according to:

- The stage of preparation of the emerging plan (the more advanced its preparation the greater weight that may be given);
- The extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and
- The degree of compliance of the relevant policies in the emerging plan with the policies for plan-making in this Framework (the closer the policies in the emerging plan to the policies in this Framework, the greater the weight that may be given to them).

28. Policy DM4 further states that development proposals should not be refused on the grounds of being premature, other than in the limited circumstances where both:

    The development proposal is so substantial, or its cumulative effect alongside other development proposals would be so significant, that to grant permission would undermine the plan-making process by predetermining decisions about the scale, location or phasing of new development that are central to an emerging plan; and

    The emerging plan is at an advanced stage but is not yet formally part of the development plan for the area. An emerging plan is unlikely to be in an advanced stage if a draft spatial development strategy, local plan, minerals and waste plan or supplementary plan has yet to be submitted for examination; or, in the case of a neighbourhood plan, the local planning authority publicity period on the draft plan has not ended.

29. I give limited weight to the emerging local plan Strategic Policy 30 as there remain significant unresolved objections to the Policy and the plan remains some way from adoption due to the need for further sessions to consider other areas of the emerging plan.

30. The Council's Shaping Development in the Horsham District Planning Advice Note (2025) is also material to the assessment and confirms the Council's

position that the employment policies contained within the HDPF remain justified, up-to-date and consistent with the Framework (prior to the adoption of the revised Framework August 2026).

31. The applicant has submitted a 'Summary of marketing report' dated November 2024 which provides a summary of marketing activities conducted by CrickMay in support of the redevelopment of the entire North Heath Lane Industrial Estate for a scheme of up to 74 dwellings. This was subsequently supplemented by an updated marketing report dated 17th December 2025 to provide a brief update in respect of marketing activities conducted since 7th November 2024.

32. It is common ground between the main parties that Bentley House has been vacant for a prolonged period of time and has been subject to ongoing marketing efforts. The appeal site has been marketed regularly on a mix of platforms and has also been offered with flexible leasing arrangements and varying rental approaches. The appellant has confirmed the building has been offered in flexible configurations to include the whole building and on a floor by floor basis with clear advertising that consideration would be given to the further sub-division of floors and alternative uses.

33. Despite this, the Council are not satisfied that the evidence submitted robustly demonstrates the premises are no longer needed and/or viable for employment use in accordance with Policy 9 of the HDPF, or that there has been a comprehensive assessment of the realistic long-term employment potential of Bentley House itself and not just the wider estate which the CrickMay reports focus on. The Council states the appellant has also not submitted a detailed financial viability appraisal specific to Bentley House to demonstrate that continued employment use, refurbishment or adaptation of the building would be unviable.

34. Whilst I acknowledge the Council concerns, the appellant has demonstrated a flexible approach to the way the offices have been marketed and could be used in the future to attract new occupiers. The appellant has also confirmed they have refurbished the premises to make them more attractive.

35. I have taken into account the advice provided in the pre-application discussions between the appellant and the Council for the comprehensive redevelopment of the site, and the request for the appellant to detail the nature of work required to meet future Minimum Energy Efficiency Standards (MEES) in the event of the existing building being re-let, alongside the costings of such work. The appellant was advised that in the absence of a clear and compelling case that the work required to meet future MEES standards was prohibitive, the Council would be likely to resist the loss of employment floorspace. However, this goes beyond the requirements of Policy 9. The appellant has demonstrated through the marketing that the premises are no longer needed for their current use and that although the premises could be reconfigured, no potential occupiers have come forward.

36. The Council have suggested that the appellant must demonstrate the premises are no longer needed and are no longer viable. Policy 9 requires either the site or the premises to demonstrate they are no longer needed and/or viable. There is no dispute between the parties that the premises are capable of continued employment use but in my view, the flexible marketing of the premises for six years with no success demonstrates the premises are no longer needed for such

a use.

37. Emerging Policy 30 does state proposals for other uses will only be supported where both the premises and site are no longer needed and are no longer viable for employment use, however, the change in emphasis requiring both site and premises to demonstrate they are no longer needed carries limited weight due to the fact there are unresolved objections to the emerging policy.

38. I also give some weight to the likely difficulties in attracting potential occupiers due to planning conditions restricting the hours of work and traffic movement on the industrial estate. No work/traffic movement on the industrial estate is permitted between 9pm and 7am from Monday evening to Saturday morning inclusive and from 1pm Saturday to 7am Monday. These restrictions would limit the attraction of the office building for potential users who may wish more flexibility in working hours.

39. I have taken account of the objection from the Council Economic Development officer to the loss of employment on the industrial estate at a time where Horsham District faces a recognised shortage of commercial and employment floorspace. The proposal could have the potential to undermine economic objectives and contribute to the erosion of commercial premises. Despite this, I have not been provided with substantive evidence the Economic Development officer has considered the specific circumstances of the conditions on the industrial estate and the effect this may have on the attractiveness of the site for employment use.

40. In summary, the Council hasn't disputed the fact the site has been marketed and although additional information has been requested regarding the viability of the site for employment use, the requested information is not necessary to meet the criteria in Policy 9 as the marketing information demonstrates the site is not needed for employment use. In conclusion, the proposed development would comply with Policy 9 of the HDPF as it has been demonstrated the existing use of the premises is no longer needed.

Other Matters

41. I have been directed towards various planning applications and planning appeal decisions, however, none of the decisions relate to the change of use of Class E development within an established industrial estate within Horsham District. Each case must be determined based on its individual merits and I have not been presented with comparable cases that would enable me to make any direct comparisons with. I have also not been provided with other examples of residential development within the boundaries of established industrial estates.

42. I acknowledge the appellants concerns over the Council's handling of the application. However, this is not a matter that I can consider under a planning appeal and does not alter my findings, in which I have had regard solely to the planning merits of the proposal.

Planning Balance and Conclusion

43. I have not found harm due to the loss of employment floorspace. However, the proposal would fail to provide acceptable living conditions for the occupiers of the development. It would also create the potential for conflict between the

operations of business on the industrial estate and the living conditions of future occupiers of the proposed development, thereby undermining the long-term viability of the remainder of the estate for continued employment uses. These combined harms would bring the scheme into conflict with the development plan when taken as a whole.

44. Policy S4 of the Framework states that development proposals within settlements should be approved unless the benefits of doing so would be substantially outweighed by any adverse effects, when assessed against the national-decision making policies in the Framework.

45. National decision-making Policy DP3 of the Framework requires development proposals to respond to their context so that they integrate with and enhance their surroundings. Policy DP3 (2)a, supports healthy, mixed, vibrant and integrated communities, which will function well over the lifetime of the development. Development proposals should be refused if, without clear justification, they conflict with relevant aspects of the principles in DP3 (2). The location of residential accommodation on an established industrial estate would not respond to its context, integrate with its immediate surroundings or support an integrated community.

46. It is common ground between the parties that the Council does not have a 5-year housing land supply and that its housing land supply is equivalent to 1.7 years. There is therefore a pressing need for the supply of new housing to be increased.

47. Policy HO7 of the Framework requires substantial weight to be given to the benefits of providing homes that contribute towards meeting evidenced housing needs. The proposal would deliver 9 additional dwellings, and this benefit attracts substantial weight in favour of the development.

48. Other benefits of the scheme include the re-use of the existing building and the associated carbon benefits this brings. However, the use of the building for employment use would bring similar benefits and therefore I only attach a small amount of weight to this consideration. The alleged security benefits carry limited weight as due to the location of the proposal on the edge of the industrial estate, the amount of natural surveillance over the remainder of the estate would be limited.

49. There would be economic benefits during the conversion phase, and once the development is occupied through the support that occupiers of the new dwellings would give to local services. However, given the scale of the scheme and the fact that the lawful use of the building as offices would generate similar support for local businesses, these benefits only attract modest weight.

50. The design of the scheme brings it into conflict with Framework policies P3 and P4 in relation to living conditions and the impact of development on existing activities. Moreover, the living environment within the scheme would constitute poor design, contrary to the liveability principle within Policy DP3(2). There is no clear justification for this conflict and therefore Policy DP3(3) directs that the proposal should be refused. The Framework directs that substantial weight should be given to compliance with relevant development plan policies when assessing the design quality of proposals.

51. In the overall balance, notwithstanding the acknowledged need for housing, the benefits of the proposal would be substantially outweighed by the adverse effects. As such, material considerations do not indicate a decision, otherwise than in accordance with the development plan. For the reasons given above, I conclude that the appeal should fail.

Claire Coles

INSPECTOR