

London Borough of Lambeth – September 2008



Lambeth Unitary Development Plan (UDP) 2007

Planning Guidance Note: Marketing of Employment Premises and Sites

1 Introduction

This document provides guidance in relation to Lambeth's requirement for marketing evidence where there is a proposed change of use from an employment use to a non-employment use outside of the designated Key Industrial and Business Areas (KIBAs). It specifically relates to Policy 23 (b) (ii) of the Lambeth Unitary Development Plan 2007 (UDP).

It also applies to vacant premises and sites within KIBAs and generally to new, completed accommodation and provides the relevant guidance for the implementation of conditions and section 106 agreements in respect of the expected level of marketing.

This planning guidance note is intended to support applicants, agents and developers so that they can provide the council with all the information it needs to determine applications of this type. This guidance note is not a statutory document.

2 Background

2.1 UDP Policy 23

UDP Policy 23 seeks to protect employment sites in the borough (outside of the designated KIBAs) where they are suitable for continued employment use. This policy supports UDP Strategic Policy H:

Through the planning process, the Council will sustain a diverse and strong local economy and maximise education, skills and training opportunities for Lambeth residents.

Policy 23 sets out a number of circumstances in which change of use can be considered. The second of these relates to sites that are vacant. The policy states:

(b) Protection of Other Employment Uses

Outside KIBAs, where land is or has last been in employment use, loss of floorspace (in particular B1 business use floorspace for small businesses) to non-employment use will not be permitted, unless:

....

(ii) If the site is vacant, it is demonstrated that there is no reasonable prospect in the medium term of re-use or redevelopment to modern standards for an environmentally acceptable employment use (including work-live development). Regard will be had to: evidence of a lack of demand for employment premises; the length of time that the premises/site have been appropriately and actively marketed; and the amount and nature of vacant employment floorspace and unimplemented, extant planning permissions in the surrounding area. The marketing exercise should include use or development of a smaller part of the site, or as part of a larger development;

The reasoned justification for the policy elaborates on this requirement as follows:

4.11.17 The policy reliance on marketing evidence is justified because a bona fide open and wide ranging marketing campaign is considered the most effective way of determining the suitability of a site for continued employment use. Vacancy alone is not a reliable indicator. A period of vacancy can be artificially induced by a land owner simply by not renewing a lease to an existing occupier or by driving rental prices up.

4.11.18 Marketing evidence submitted in support of proposals for development of employment generating sites for non-employment uses will be assessed in terms of how open the marketing/advertising campaign was, how wide-ranging it was, how realistic the asking price was, and whether specialists in the particular type of use were used.

The reasoned justification states that, in terms of the length of time a property has remained vacant, a minimum period of at least one year is considered appropriate.

2.2 Lambeth Business Premises Study (DTZ March 2007)

In October 2006, Lambeth's Planning Division, in co-operation with the Regeneration and Enterprise Division, commissioned a study to assess the current demand for, and supply of, business premises in the borough. The study had a particular focus on small and medium enterprises, growth sectors and deprived areas. The study, undertaken by DTZ Consulting and Research and published in March 2007, found that demand for business premises in Lambeth continues to be strong and that growth in employment levels is constrained by the lack of available space. It established that almost three quarters of land in B class use in Lambeth is currently located outside of KIBAs, and recommended the continued robust implementation of Policy 23 in order to protect this stock.

In relation to marketing evidence, the study recommended the production of a guidance note to support applicants and set out a number of specific recommended marketing requirements. These recommendations have informed the content of this guidance note.

All of the recommendations in the Business Premises Study were reported to the Cabinet of the Council in September 2007, along with an action plan setting out how they would be addressed. This action plan was approved and included the production of this guidance note.

The evidence provided by the Business Premises Study is kept up to date through annual monitoring of the commercial development pipeline and of vacancies in Key Industrial and Business Areas.

3 Marketing requirements

A marketing report should be submitted with the planning application, setting out the details of the marketing campaign. This campaign should take account of the following points:

- a) Vacant premises or sites should be continuously marketed for at least one year.
- b) Where premises are in poor condition or have been partially demolished, the site should also be marketed for redevelopment for B class use (subject to the policy requirements of the UDP) for at least one year.
- c) The marketing campaign should target potential occupiers with a variety of means. As a minimum, the following measures should be used:
 - Property details made available through a local commercial agent. A copy of the dated letter of instruction to the commercial agent and dated copies of the agent's property details should be included in the marketing report.
 - On-site/premises marketing boards, constant throughout the period in which the property is being marketed. Dated photographs of marketing boards should be included in the marketing report.
 - Web-based marketing through the South London Business Property Database. The South London Business Property Team and their Inward Investment Manager can also advise on potential occupants. To use this service go to www.southlondonbusiness.co.uk or call the South London Business Property Team on 020 8666 0221. Dated evidence that this has taken place should be included in the marketing report.
 - Web-based marketing through other relevant search engines, such as Estates Gazette Interactive at www.egi.co.uk. Dated evidence should be included in the marketing report.
 - Advertising within target publications, such as the Estates Gazette, local press and any publications produced by local business networks and support agencies (as a minimum on a quarterly basis). Dated copies of these advertisements should be included in the marketing report.
 - Notification **quarterly** by email to the Lambeth Business Support Network who will distribute details through a regular e-bulletin to local business networks and business support agencies. This network is co-ordinated by Lambeth's Regeneration and Enterprise Division and will particularly target some of the harder to reach and niche sectors within the borough, including black and minority ethnic owned businesses. Emails should be sent to enterprise@lambeth.gov.uk with 'Property' in the subject header, and should include a summary of the main features

of the property and contact details for the commercial agent. Copies of these emails should be included in the marketing report.

- d) The premises/site should be marketed at a price and associated terms that are commensurate with market values, based on evidence from recent and similar transactions and deals. At least three examples should be provided of completed transactions involving a similar site or premises and similar terms within the local area within the last three months, or written evidence from an independent qualified Valuer on the market values in the local area. All information about price and terms should be provided in a format that enables easy comparison, using equivalent and comparable expressions of price per unit of floorspace. Where the price changed during the period of the marketing campaign, the reasons for this should be recorded and included in the marketing report.
- e) Where premises are marketed for lease, the length of lease offered should not be unduly restrictive and should include the potential for a short-term lease in appropriate cases. Details of the lease terms offered should be included in the marketing report, along with any changes made to the terms offered during the period of the marketing campaign and the reasons for this.
- f) The marketing agent should keep a log of enquiries throughout the period of the marketing campaign. This should record the date and nature of the enquiry (e.g. the type of business or individual enquiring), how the enquirer found out about the premises, whether the enquiry resulted in a site visit, and the reasons given for not pursuing the property. This log should be submitted as part of the marketing report.
- g) Where the flow of enquiries has been limited or is decreasing, the marketing report should explain any measures taken to refresh the marketing campaign.

In circumstances where proposals do not fully meet relevant guidance it will be for developers to demonstrate through their marketing report that their marketing/advertising campaign was sufficiently wide-ranging, of adequate length, that the asking price and terms were realistic and that specialists appropriate to the type of use were engaged.

4 Contacts and further information

To view the UDP in full, go to www.lambeth.gov.uk/planning and follow the links to planning policy and Unitary Development Plan.

For any questions about UDP policies or to discuss the marketing requirements set out in this planning guidance note, please email planningpolicy@lambeth.gov.uk.

To read the Lambeth Business Premises Study DTZ 2007, go to www.lambeth.gov.uk/planning and follow the links to planning policy and Local Development Framework evidence.

To read the September 2007 Cabinet report and action plan referred to in section 2 above, go to www.lambeth.gov.uk and follow the link to Council and Democracy.

For further information about economic development and business support in Lambeth go to www.lambeth.gov.uk/business or email enterprise@lambeth.gov.uk.

For further information about the South London Business Property Database or the South London Business inward investment advice service go to www.southlondonbusiness.co.uk or call the South London Business Property Team on 020 8666 0221.

For further information about Estates Gazette Interactive go to www.egi.co.uk