

Lambeth Local Plan 2021

**Marketing of Commercial Premises
and Sites Guidance Note**

August 2023


Lambeth

1. Introduction

- 1.1 This document provides guidance on what evidence is expected to demonstrate that a premises has been effectively marketed in accordance with the relevant policies of [Lambeth Local Plan 2021](#). The guidance relates to existing commercial space; industrial space; retail units; drinking establishments; hotels and other visitor accommodation; and social infrastructure. For the purposes of this note, these different uses will be collectively referred to as 'commercial'.
- 1.2 In some circumstances, it is recognised that there are occasions where some types of commercial sites may no longer be capable of being retained for their existing use. In order to show that there is no demand for existing commercial premises and sites, various development plan policies require applicants to demonstrate that they have actively marketed the premises or site in question with no success. In the Lambeth Local Plan 2021, marketing evidence is required by the following policies:
- ED1: Offices
 - ED4: Non-designated industrial sites
 - ED7: Town centres
 - ED9: Public houses
 - ED11: Local centres and dispersed local shops
 - ED14: Hotels and other visitor accommodation
 - S1: Safeguarding existing social infrastructure
- 1.3 Whilst not a statutory document, this planning guidance note provides key supporting information for applicants, agents and developers so that they can provide the council with all the information it needs to determine applications of this type.
- 1.4 Please note that when submitting a planning application, in order to meet development plan policy requirements, it may also be necessary to provide a viability assessment in addition to providing a marketing report. This guidance note only relates to the evidence required to satisfy policy requirements in relation to marketing notes.

2. Policy context

- 2.1 The national and development plan policy context is set out in Appendix 1 of the guidance note.

3. Clear and robust marketing evidence

- 3.1 Clear and robust marketing evidence is required to show there is no demand for some types of commercial floorspace under Local Plan policies ED1, ED4, ED7, ED9, ED11, ED14 and S1. London Plan Policies E1, E7 and HC7 also require marketing evidence to be provided. This evidence should be provided in a marketing report to support a planning application. The existing premises must be continuously vacant throughout the whole marketing period.
- 3.2 Where a premise is in a poor condition or where it has been partially demolished, the site should also be marketed for redevelopment for an appropriate use (subject to the policy

requirements of the Local Plan). Where marketed for redevelopment the below methods should be applied and detailed within the marketing report.

- 3.3 The following section sets out the relevant requirements for the marketing campaign, as well as the final marketing report.

Active marketing methods

- 3.4 In advance of the marketing exercise beginning, the applicant should notify the Council of its intended start date. Notification should be sent to the Planning Policy team via email: (planningpolicy@lambeth.gov.uk).
- 3.5 The site should be actively and extensively marketed by at least one recognised commercial agent or workspace provider. The site should be marketed for an appropriate mix of uses, for example the existing use, or other relevant uses where allowed for by the Local Plan policy. Further information about the marketing terms and period are set out below. Applicants must undertake as a minimum the following methods:
- a) A copy of the dated letter of instruction to the commercial agent or workspace provider
 - b) At least one advertising board in a prominent location on the exterior of the property/site that is visible to passing vehicles, cyclists and pedestrians. Contact information should be clearly provided on the boards. Advertising boards should be constantly present throughout the period in which the property is being marketed. Dated photographic evidence of the board in situ throughout will be required.
 - c) Dated records of extensive web-based marketing through the commercial agent or workspace provider and the Estates Gazette.
 - d) Dated advertising within target publications including local press and any publications produced by relevant local business/community networks and organisations.
 - e) Dated advertisements in specialist publications relevant to the existing use, where applicable.
 - f) Contacting the Business Improvement District and the council's Business, Culture and Investment team to support matching with tenants. At the time of publication, the best way to contact the Business, Culture and Investment team is to fill in the form at: [Talk to us - Lambeth \(lambethnow.co.uk\)](http://Talk%20to%20us%20-%20Lambeth%20(lambethnow.co.uk)).
- 3.6 Dated records (including photographs or screenshots) of each of the marketing methods must be recorded at least on a quarterly basis. For example, this would include dated photographs of the advertising board to demonstrate that it has been continually present. This evidence should then be included as part of the marketing report (further information on this can be found in the section titled Marketing Report).
- 3.7 The length of the required marketing period is set out in each policy and in table 1 below. Marketing periods must be continuous in order to meet the relevant policy requirement.

Table 1: Marketing period by policy

Policy	Marketing period
ED1 Offices	At least two years
ED4 Non-designated industrial sites	At least one year
ED7 Town centres	At least one year
ED9 Public houses	At least 24 months
ED11 Local centres and dispersed local shops	At least one year
ED14 Visitor accommodation	At least one year
S1 Safeguarding existing social infrastructure	Twelve months

Marketing terms

- 3.8 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.
- 3.9 Premises can be marketed for either sale or lease. 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.
- 3.10 Public houses should be marketed to be free of tie and without restrictive covenants that would prevent other pub operators or community groups from taking over the premises and trading as a public house.

Marketing report

- 3.11 If the marketing exercise proves unsuccessful, a marketing report providing a summary of the marketing exercise should be submitted as part of the planning application for the proposed change of use or redevelopment. This summary should include copies of all relevant documentation.
- 3.12 The applicant must complete the Validation Checklist (included in Appendix 2) as part of their marketing report to demonstrate all criteria have been met.
- 3.13 The report must include records of enquiries to the commercial agent throughout the whole period of the marketing campaign. This should record the date, contact details and nature of the enquiry (e.g. the type of business or individual enquiring), how the enquirer found out about the premises, and the follow up actions undertaken. i.e. whether the enquiry resulted in a site visit. If an offer was not accepted, justification for doing so must be provided.

- 3.14 Where the flow of enquiries was limited or decreasing, the marketing report should also explain the measures undertaken to refresh the campaign.
- 3.15 Where an independent review is required, including to demonstrate it is not viable and feasible to refurbish, renew or modernise office premises, this will be at the expense of the applicant.

Appendix 1: Policy context

National policy

- 4.1 [National Planning Policy Framework \(NPPF\)](#) Paragraph 81 requires policies to help create the conditions in which businesses can invest, expand and adapt, with significant weight placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. Paragraph 82 adds that policies should (a) set a clear economic vision and strategy; (b) meet anticipated economic development needs over the plan period; (c) address potential barriers to investment; and (d) be flexible enough to accommodate unanticipated needs, allow for new and flexible working practices and enable rapid response to changes in economic circumstances. Paragraph 83 requires planning policies to recognise and address the specific locational requirements of different sectors, including making provision for clusters or networks of knowledge and data-driven, creative or high technology industries, and for storage and distribution operations.

Development plan policy

Offices

- 4.2 London Plan policy E1 B supports increases in the current stock of offices in the CAZ, town centres and other existing office clusters. Part E states that existing viable office floorspace capacity in other locations should be retained, supported by borough Article 4 Directions to remove permitted development rights where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable and releasing surplus office capacity to other uses.
- 4.3 London Plan paragraph 6.1.7. sets out that ‘Surplus office space includes sites and/or premises where there is no reasonable prospect of these being used for business purposes. Evidence to demonstrate surplus office space should include strategic and local assessments of demand and supply, and evidence of vacancy and marketing (at market rates suitable for the type, use and size for at least 12 months, or greater if required by a local Development Plan Document)’.
- 4.4 Local Plan Policy ED1 C adds that ‘proposals involving a complete loss of office floorspace will not be permitted unless the following tests are met. Either:
- i. there is no demand for the office floorspace as demonstrated by evidence that the floorspace has been vacant and continuously marketed for a period of at least two years; and
 - ii. it would not be feasible and/or viable to refurbish, renew, modernise or redevelop the offices in order to meet the requirements of existing or future occupiers as demonstrated through appropriate supporting evidence; and

- iii. it would not be feasible and/or viable to adapt the office floorspace as smaller office units to meet demand from small businesses. This should be demonstrated through marketing evidence and an independently validated viability assessment;
 - or
 - iv. the office floorspace to be lost is replaced in the vicinity and within Lambeth’.
- 4.5 The appropriate supporting evidence required in section (C) of the policy should include a viability assessment which addresses the feasibility and economic viability of refurbishing, renewing or modernising larger office buildings for use as smaller office units.

Non-designated industrial sites

- 4.6 The approach within policies E2 to E7 of the London Plan seeks to respond effectively to the London-wide trend of a loss of industrial floor-space whilst meeting other key strategic requirements, including housing.
- 4.7 London Plan Policy E2 C states that development proposals that involve the loss of existing B Use Class business space (including creative and artists’ workspace) in areas identified in a local Development Plan Document where there is a shortage of lower-cost space or workspace of particular types, uses or sizes, should:
- 1) demonstrate that there is no reasonable prospect of the site being used for business purposes, or
 - 2) ensure that an equivalent amount of B Use Class business space is reprovided in the proposal which is appropriate in terms of type, use and size, incorporating existing businesses where possible, and include affordable workspace where appropriate (see Policy E3 Affordable workspace).
- 4.8 As set out in Lambeth Local Plan paragraph 6.41, there is a shortage of lower-cost workspace for small businesses across Lambeth.
- 4.9 London Plan Policy E7 C states that ‘mixed-use or residential development proposals on Non-Designated Industrial Sites should only be supported where:
- 1) there is no reasonable prospect of the site being used for the industrial and related purposes set out in Part A of Policy E4 Land for industry, logistics and services to support London’s economic function; or
 - 2) it has been allocated in an adopted local Development Plan Document for residential or mixed-use development; or
 - 3) industrial, storage or distribution floorspace is provided as part of mixed-use intensification (see also Part C of Policy E2 Providing suitable business space)’.
- 4.10 It is clarified in London Plan paragraph 6.7.5 that ‘Evidence to demonstrate ‘no reasonable prospect’ of Non-Designated Industrial Sites being used for industrial and related purposes should include:
- strategic and local assessments of demand
 - evidence of vacancy and marketing with appropriate lease terms and at market rates suitable for the type, use and size (for at least 12 months, or greater if required by a local Development Plan Document), and where the premises are derelict or obsolete,

offered with the potential for redevelopment to meet the needs of modern industrial users

- evidence that the scope for mixed-use intensification with industrial uses has been explored fully’.

4.11 Local Plan Policy ED4 refers to London Plan policies E2 and E7 sections C and D for assessment of non-designated industrial sites. However, Policy ED4 B adds that ‘Where marketing is required by the policy, this should be for at least one year and the site should be vacant during this period’.

Retail

4.12 Local Plan Policy ED7 G states that ‘The subdivision of larger units of over 250 m² gross floor area within primary shopping areas will not be permitted unless it is demonstrated, through marketing evidence, that there is a lack of demand for larger units’.

4.13 Paragraph 6.59 clarifies that ‘Evidence of active and appropriate marketing over a continuous period of at least one year will be required to support any claim that there is no demand for such retail space. This should include evidence that premises have been marketed at an independently assessed market value price by an agent that specialises in commercial land sales’.

Public houses

4.14 London Plan Policy HC7 B states that ‘Applications that propose the loss of public houses with heritage, cultural, economic or social value should be refused unless there is authoritative marketing evidence that demonstrates that there is no realistic prospect of the building being used as a pub in the foreseeable future’. Paragraph 7.7.7 of the London Plan adds that ‘To demonstrate authoritative marketing evidence that there is no realistic prospect of a building being used as a pub in the foreseeable future, boroughs should require proof that all reasonable measures have been taken to market the pub to other potential operators. The pub should have been marketed as a pub for at least 24 months at an agreed price following an independent valuation, and in a condition that allows the property to continue functioning as a pub. The business should have been offered for sale locally and London-wide in appropriate publications and through relevant specialised agents’.

4.15 Local Plan Policy ED9 A states that ‘In accordance with London Plan policy HC7, the council will use its available planning powers to support the retention of public houses. In considering applications which require planning permission for the change of use, redevelopment and/or demolition of a public house, the council will consider whether:

- i. the public house use is no longer economically viable; a viability report must be submitted and this must include evidence of active and appropriate marketing over a continuous period of at least 24 months and evidence that all reasonable efforts have been made to preserve the facility;
- ii. the proposal would not result in the loss of a service or facility of particular heritage, economic, social or cultural value to the local community; and

- iii. the proposed alternative use will not detrimentally affect the vitality of the area and the character of the street scene’.
- 4.16 ED9 B goes on to state that ‘Changes of use will only be acceptable where the criteria set out in part (a) of the policy above are met and there is no reasonable prospect in the medium term of re-use or refurbishment for an alternative commercial, business and service, community or appropriate sui generis use in town centres; or for an alternative social infrastructure use outside of town centres, demonstrated through marketing evidence’.

Local centres and dispersed local shops

- 4.17 Local Plan Policy ED11 C states that ‘Exceptionally, the loss of active frontage uses within local centres will be allowed where it is demonstrated that:
- i. the premises have been actively marketed over a continuous period of at least one year for an active frontage use compatible with the function of the centre, and it has not been possible to secure an occupier; and
 - ii. the proposal would not detrimentally affect the character of the centre’.
- 4.18 Local Plan Policy ED11 D sets out that ‘the loss of dispersed local shops outside of local centres will only be supported where:
- i. the premises have been actively marketed over a continuous period of at least one year for an alternative shop or social infrastructure use compatible with the location, and it has not been possible to secure an occupier; and
 - ii. there is a town centre or accessible provision of essential daily goods within reasonable walking distance (within 400m)’.

Visitor accommodation

- 4.19 London Plan policy E10 states that a sufficient supply and range of serviced accommodation should be maintained.
- 4.20 Local Plan Policy ED14 L states that ‘Where it is demonstrated, through at least one year’s marketing evidence, that there is no longer demand for existing visitor accommodation, change of use will be supported subject to the requirements of other development plan policies’.

Social infrastructure

- 4.21 Local Plan Policy S1 states that:
- A. ‘The council will support and encourage the most effective use of community premises to address different and changing priorities and needs in the borough, in accordance with agreed strategies where relevant.
 - B. Existing community premises, and land formerly in use as community premises, will be safeguarded unless it can be demonstrated that either:

- i. there is no existing or future need or demand for such uses, including reuse for other community services locally, and adequate alternative accommodation is available to meet the needs of the area; or
 - ii. replacement facilities are proposed on or off site of equivalent or better functionality to serve the needs of the area; or
 - iii. development of the site/premises for other uses, or with the inclusion of other uses, will enable the delivery of approved strategies for service improvements.
- C. In exceptional circumstances, where tests (i) and (iii) are not met and it is demonstrated to the satisfaction of the council that it would not be feasible and/or effective to include replacement facilities in the proposed development, a payment in lieu may be accepted’.

4.22 Paragraph 7.9 adds that ‘In order to demonstrate that there is no further need or demand for a building in use for social infrastructure, applicants should undertake the following measures as a minimum:

- explain the proposed loss in the context of the relevant strategies for social infrastructure in Lambeth listed in the Infrastructure Delivery Plan and any subsequently approved strategies where relevant
- where appropriate, seek confirmation in writing from the relevant agency that the proposed loss of premises is consistent with the agreed strategy for delivery of that service in Lambeth
- market and advertise the vacancy for the existing use class continuously for a twelve month period and provide evidence of this, including a log of enquiries with reasons why the premises were considered unsuitable
- during this marketing period, notify the council of the proposed vacancy, so that community organisations, arts, sports and cultural groups seeking premises can be made aware of it’.

Appendix 2: Validations Checklist

Please confirm the following has been provided:

<u>Before the marketing exercise:</u>	<u>Please insert ✓/NA where appropriate</u>
Evidence of notification sent to the Council to confirm marketing exercise	
<u>Details provided in the marketing report:</u>	
Dated letter of instruction to the commercial agent or workspace provider	
Evidence of at least one advertising board in a prominent location, continuously present throughout the exercise	
Evidence of web-based marketing through the commercial agent or workspace provider and the Estates Gazette	
Evidence of advertisements within target publications such as local press	
Evidence of advertisements in specialist publications (where applicable)	
Evidence of contact with the Business Improvement District and the council's Business, Culture and Investment team	
Dated evidence of marketing methods such as photographs i.e. photographs/screenshot of webpages/copies of emails	
Copy of records of enquiries	
Evidence of measures taken to refresh the campaign (where appropriate)	