



Marketing of Employment Premises and Sites Guidance Note  
October 2015

## Table of Contents

1. Introduction .....	3
2. Policy context.....	3
3. Clear and robust marketing evidence.....	6

## 1. Introduction

- 1.1. This document provides guidance to support the implementation of Lambeth Local Plan, 2015 Policy ED2 Business, industrial and storage uses outside Key Industrial and Business Areas (KIBAs) and ED3 Large offices (greater than 1,000m<sup>2</sup>) where these can be applied subject to other guidance and legislation.
- 1.2. Employment uses are defined as business, industrial and storage uses. These include all uses in the B use class (B1(a), B1(b), B1(c), B2 and B8), and employment generating sui generis uses associated with industrial areas such as waste management uses, including green industries, builders' yards, haulage, employment-training, bus garages and telecommunications.
- 1.3. It is recognised that there are occasions where an employment site might no longer be capable of being retained for employment-generating use. In these instances where planning permission under Policies ED2 or ED3 is required to be obtained evidence would need to be demonstrated that there is no demand for an employment generating use on the site in question. A fully formed marketing campaign would therefore be needed. Correctly advertising employment sites will prevent their loss where current demand for such uses remain. This planning guidance note, whilst not a statutory document, 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. To view the Lambeth Local Plan, 2015 please visit the planning policy page of Council's website at: [www.lambeth.gov.uk/](http://www.lambeth.gov.uk/).

## 2. Policy context

- 2.1. **National policy context:** The National Planning Policy Framework (NPPF) sets out the requirement for a fully evidenced approach as a basis for changes of use from employment to other uses where this can be permitted.

Local authorities should

- Approve planning applications for change to residential use and any associated development from commercial buildings (currently in the B use classes) where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate. (Para. 51)
- Ensure that the local plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. (Para. 158)
- Have a clear understanding of business needs within economic markets operating in and across their area. (Para. 160)
- Use the evidence base to assess the needs for land or floor space for economic development, existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified need, the role and function of town centres and the relationship between them, [and] the capacity of existing centres to accommodate new town centre development; and locations of deprivation. (Para. 161)

National Planning Policy Framework, 2012

- 2.2. In May 2013 the Government brought into effect changes to relax the types of development in England that can be undertaken without the need for planning permission. This includes greater flexibility between use classes. Under The Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013 premises in B1(a) office use can change to C3 residential use, subject to a prior approval covering flooding, highways, transport and contamination issues. Additionally there are new permitted development rights, allow storage or distribution buildings (B8) to change use to residential (C3). The right is subject to a prior approval process covering transport and highways, air quality impacts on intended occupiers, noise impacts of the development, risks of contamination, flooding, and the impact the change of use would have on existing industrial uses and or storage or distribution uses.
- 2.3. This note applies in all cases where planning permission is required under policies ED2 and ED3.
- 2.4. **Regional planning policy context:** The London Plan, 2015 sets out the Greater London's Authorities (GLAs) position in regard to economic policy which continues to protect the economic functions of the Central Activities Zone. Local Authorities have up until May 2019 to apply for exemptions from Permitted Development Rights from B1(a) and B8 to C3 for example for London's Central Activities Zone.

Local authorities should:

- Work to realise the potential of inner London in ways that sustain and enhance its recent economic and demographic growth while also improving its distinct environment, neighbourhoods and public realm, supporting and sustaining existing and new communities, addressing its unique concentrations of deprivation, ensuring the availability of appropriate workspaces for the area's changing economy and improving quality of life and health for those living, working, studying or visiting there. (Chapter 2, Policy 2.9)
- With all or part of their area falling within the Central Activities Zone (CAZ) should develop more detailed policies and proposals taking into account the priorities and functions for the CAZ set out above and in Policy 2.10 and 2.12.(Chapter 2, Policy 2.11)
- Within the CAZ and the north of the Isle of Dogs Opportunity Area (see Chapter 2 and Annex 1), increases in office floor space, or those above a justified local threshold, should provide for a mix of uses including housing, unless such a mix would demonstrably conflict with other policies in this plan. (Chapter 4, Policy 4.3)

The London Plan, 2015

- 2.5. Lambeth is identified as a Restricted Transfer Location (RTL) in the London Plan, 2015, in Map 4.1. Such RTL authorities should adopt stronger protection policies for their industrial employment land.
- 2.6. **Local policy context:** Lambeth's Local Plan Policy ED2 Business, industrial and storage uses outside KIBAs sets out a criteria based approach to resist the loss of employment uses where it can be applied and should be read in parallel with national and regional guidance and legislation as set out above.

Policy ED2, Business, industrial and storage uses outside KIBAs

In order to maintain a stock of sites and premises in business use across the borough (in addition to KIBAs):

- (a) Development for business (B1) uses will be supported on all sites, subject to other plan policies.
- (b) The loss of land or floorspace in business, industrial or storage (B class) use, or in employment-generating *sui generis* use, will not be supported unless clear and robust evidence is submitted which shows there is no demand for the floorspace. Such evidence must demonstrate that the floorspace has been vacant and continuously marketed for a period of at least one year. This should include marketing of the existing premises for business use (B1) or other suitable B class use and for the redevelopment of the site for such uses. Where a reduction in floorspace is proposed applications must demonstrate that the development provides the maximum feasible proportion of B1 floorspace for the site and, where appropriate, suitable for occupation by small and medium-sized enterprises. Redevelopment solely for residential use will not be permitted unless it is demonstrated that there is no demand for continued B class use on the site and mixed-use is not appropriate or feasible.

Exceptions will apply only where there are clear amenity and environmental reasons justifying a change of use, such as an unacceptable relationship to surrounding properties; or where the proposal secures major planning priorities for which there is a demonstrable need, which cannot be achieved in any other way. These are:

- (i) local community or cultural uses (D1/D2 and relevant *sui generis* uses);
  - (ii) the restoration to its original use of a listed building or a building of significant architectural merit which is of major importance in its contribution to the character and appearance of the area.
- (c) Mixed-use development including housing, work-live or other mix of compatible uses will be supported where the existing quantity of B class floorspace is replaced or increased. Where mixed-used development is proposed the commercial and residential elements of the development should be made available for occupation at the same time.
  - (d) Where small business units are provided as part of a mixed-use scheme, these should incorporate a range of unit sizes and types to meet local business needs, be well designed and flexible, and be fully fitted out to turn-key standard. Opportunities for long term management of the units by a company specialising in the management of space for small businesses should be fully explored.
  - (e) Where a site last in B class and/or employment-generating *sui generis* use has been cleared, redevelopment will be permitted only where it provides B class floorspace to replace the previous quantity of floorspace if known, or otherwise provides the maximum feasible proportion of B1 floorspace for the site.
  - (f) Change of use from business use (up to 1,000 m<sup>2</sup> B1(a)) in town centres, including the use of accommodation above shops as offices, will be supported provided:
    - (i) it can be demonstrated that the continued use for business uses is not viable; and
    - (ii) the premises have been marketed unsuccessfully for at least one year; and
    - (iii) the proposed use is appropriate to the building and its location.

## 2.7. Lambeth's Local Plan Policy ED3 Large offices (greater than 1,000m<sup>2</sup> ) protects significant office locations in the borough.

Policy ED3, Large offices (greater than 1,000m<sup>2</sup>)

- (a) Proposals for offices greater than 1,000m<sup>2</sup> will be supported in the Central Activities Zone, Vauxhall and Waterloo London Plan Opportunity Areas and Brixton and Streatham major town centres. Elsewhere, large office development will be supported only where the scale of the proposal is appropriate to its location and the PTAL level is 4 or above.
- (b) Proposals for change of use or redevelopment of large offices will be supported provided the following tests are met.

Either:

- (i) it can be demonstrated that the continued use for business uses is not viable; and

- (ii) 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 one year; and
- (iii) it would not be feasible and/or viable to refurbish, renew or modernise the offices in order to meet the requirements of existing or future occupiers as demonstrated through appropriate supporting evidence; and
- (iv) it would not be feasible and/or viable to adapt the office floorspace as smaller business (B1) units to meet demand from small businesses. This should be demonstrated through marketing evidence and an independently validated viability assessment or:
- (v) The B1 floorspace to be lost is replaced in the vicinity.

Where these tests are met, proposed new use(s) will be considered against the policies for those uses.

- (c) Redevelopment of large offices for a mix of uses will be supported if the quantity of original B1 floorspace is replaced or increased as part of the development or elsewhere within the immediate area. No marketing evidence would be required. The requirements of policy ED2(c) will apply.

### 3. Clear and robust marketing evidence

3.1. Clear and robust evidence will be required to show that there is no demand for employment floorspace for applications for changes of use under policies ED2 and ED3. This should be provided in a marketing report. This must contain the following:

- a) The site has been marketed for at least one year:
  - The business, industrial, storage (B class) use, or employment-generating sui generis use floorspace has been continuously marketed for a period of at least one year.
  - Where premises is in poor condition or where it has been partially demolished, the site should also be marketed for redevelopment for B class use (subject to the policy requirements of the Local Plan) for at least one year.
- b) The site has been marketed for an appropriate mix of employment uses:
  - In some locations in Lambeth, demand for certain types of employment floor space such as large-scale offices over 1, 000 m<sup>2</sup> is weaker than demand for smaller employment units. When submitting a planning application for a change of use in this instance, it is not sufficient to demonstrate that there is no demand for one specific type or size of employment use on that site. It is necessary to explore the potential to upgrade the building to meet modern requirements and/or to adapt the building to meet the needs of variety of employment uses such as start-up space, co-working space and 'grow-on' space.
  - A viability assessment which addresses the feasibility and economic viability of refurbishing, renewing or modernising larger office buildings for use as smaller employment units should be produced by a qualified surveyor familiar with the local market for business premises.
- (c) The site has been marketed by a workspace provider/commercial agent:
  - Evidence should be provided showing records that that the site has been actively marketed by a recognised commercial agent or workspace provider. More information on workspace providers can be found on the Lambeth website at: [www.lambeth.gov.uk/business](http://www.lambeth.gov.uk/business).

(d) The site has been marketed through appropriate methods:

- A copy of the dated letter of instruction to the workspace provider/commercial agent and dated copies of the workspace provider /agent's property details.
- On-site/premises marketing boards, constant throughout the period in which the property is being marketed. Dated photographs of marketing boards.
- Dated records of associated web-based marketing through the workspace provider/commercial agents and the Estates Gazette.
- Dated advertising within target publications including the Estates Gazette, local press and any publications produced by local business networks and support agencies (as a minimum on a quarterly basis).
- 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.
- 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.
- The workspace provider/commercial agent records of enquiries throughout the 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.
- Where the flow of enquiries was been limited or decreasing, the marketing report should explain the measures undertaken to refresh the campaign.