

Commercial Marketing of Property in relation to Planning and Listed Building Applications

(Addendum to Policy numbers, March 2019)

The document below refers to out-of-date Local Plan Policies. For clarity, the following South Somerset Local Plan (2006-2028) policies are of relevance to this document:



Safeguarding Employment Land



Protection and Provision of Local Shops, Community Facilities and Services



Historic Environment



Policy EP3 sets out that applicants will be expected to submit a marketing statement alongside a planning application which demonstrates that the sites/premises has been actively marketed for a maximum of 18 months.



Policy EP15 requires applicants seeking to change the use of a significant/ or the last local shop, community facility or service to demonstrate that there is no reasonable prospect of retention/re-use for a suitable alternative business, community use or social enterprise. Applicants are required to demonstrate marketing for a period of 18 months prior to submission of the application.



Policy EQ3 requires all new development proposals relating to the historic environment to safeguard or enhance the significance, character, setting and local distinctiveness of heritage assets and ensure that alterations are balanced alongside the need to retain the integrity of the historic environment and respect the character of the building. Applicants should also be mindful of the Council's guidance in relation to applications concerning the Historic Environment ([South Somerset Historic Environment Strategy](#)).

The intention is to fully update this document as part of the Local Plan Review.



South Somerset District Council

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Planning Policy

A number of the Local Plan Policies require additional information in order to justify a proposal for alteration, change of use or demolition. This guidance note has been written in response to requests for guidance on the interpretation of these policies in relation to planning and listed building consent applications. It is also intended to help with the interpretation of Planning Policy Guidance 15 - Planning and the Historic Environment (PPG15), and the justification of applications for listed building consent.

The Local Plan policies of relevance are:

- EH3: Change of use of Listed Buildings and Alterations to Listed Buildings
- EH4: Demolition of Listed Buildings
- EH7: Conversion of Buildings in the Countryside (residential conversion)
- MS1: Local Shopping and Services
- ME6: Retention of Land and Premises
- ME7: Retention of Land and Premises in Rural Areas

Policy EH3 & PPG 15 require all applications for alteration to listed buildings to be fully justified. It is desirable that the original use of a historic building should continue wherever possible. When changes to a building are likely to arise from a proposed change of use, it will usually be necessary to demonstrate through marketing of the building that there is no potential for the building in its existing use, the reinstatement of its original use, or some other use which demands less alteration.

Policy EH4 requires the applicant to demonstrate that all reasonable efforts have been made to sustain the existing use or find a suitable alternative use, and it is usually necessary to demonstrate that the building has been offered for sale.

Policy EH7 requires the applicant to provide evidence that the property has been marketed for sale or rent for the period of one year.

Policy MS1 requires the applicant to demonstrate that every reasonable attempt has been made to secure a suitable business or local community re-use.

Policies ME6 and ME7 require the applicant to demonstrate that there is an overriding need for the proposed alternative use which outweighs the employment value of the land/premises in question.

Marketing the site will assist applicants in satisfying the requirements of the policies as outlined above. It should be recognised that this is part of a sequential approach, and all other criteria within these policies and other relevant policies to the proposal will be considered in the determination of the application.

Marketing Strategy

In cases where a policy requires evidence of marketing to justify the proposal, an appropriate marketing strategy should be agreed with the District Council prior to marketing the property. A marketing strategy should normally include the offer of the unrestricted freehold or long leasehold (125 years or more) of the property on the market at a realistic price reflecting the condition of the property, and, so far as ownership allows, with an appropriate curtilage. With historic properties this will vary with the nature and scale of the site. An unrealistic price, restrictive covenants, the offer of a short lease or the offer of a limited curtilage are likely to reduce the chances of finding a new user.

Sales Particulars and Appointing an Agent

A suitable firm of chartered surveyors or estate agents, who have a good knowledge of the property, and the appropriate local, national, or niche market, should carry out the marketing. In some cases it may be necessary to appoint more than one marketing agent. A copy of the letter of instruction to the agent should be supplied to the District Council.

The agent should be made aware of any restrictive covenants, rights of way, easements etc. and the nature of the title available. Sale particulars should be produced which are appropriate for the type of property and the planning situation. The minimum requirement will be for a brochure comprising two sides of A4 paper and including a photograph. The sale particulars should state whether the property is a listed building, and if so what grade, and whether it lies within development limits, a conservation area or the curtilage of a listed building. If a planning brief has been prepared by the District Council this should be appended to the sale particulars. For large or complex properties more extensive details will be expected, and the District Council can advise on the information that should be provided.

Valuation

The asking price will normally be the market value as defined by the RICS "Appraisal and Valuation Standards" ('The Red Book') which must take into account the structural condition of the property and the planning constraints affecting it. For the purposes of testing the market, this figure may reflect alternative uses that are in accordance with development plan policies, but must not be based on potential uses for which consent is required but has not been obtained, particularly where such a use is contrary to established planning and conservation policy.

The methodology used by the surveyor in arriving at a valuation must be clearly identified and demonstrated to the District Council. It must show what figure, if any, has been allowed for the goodwill of a business, for any fixtures and fittings and for the building itself. The floor area must also be identified so that a value per unit area can be established for comparison with the local market.

Where the District Council believes that the property has been inappropriately valued and therefore marketed, the opinion of the District Valuer will be sought in appropriate circumstances.

Advertising and Marketing

The property should then be properly and extensively marketed, including placing advertisements in all relevant journals, both locally, and, if appropriate, nationally or via the Internet. Use should be made of specialist listings especially for unusual or problematic buildings or sites. It will normally be expected that details of a listed property are supplied to the Society for the Protection of Ancient Buildings (SPAB), for inclusion in its "Properties for Sale" list. In the case of a historic building at risk, the District Council and Save Britain's Heritage should be requested to include it in their Buildings at Risk Registers. The size of advertisements and regularity of insertions in the journals are important, as well as the timing of the marketing campaign. Professional advice from the selling agent is essential. The advertising of property using such terms as *development opportunity* where none is established is not appropriate. In the majority of cases, a signboard should be erected on the site.

All enquiries and inspections should be fully recorded and reasons for lack of progress identified. A proper audit trail must be provided, so that it can be demonstrated that every reasonable effort has been made to find a purchaser for the property. A list of enquirers and their contact details must be compiled so that, if necessary, a random 'follow up' can be made to determine the accuracy of the information provided.

Assuming normal market conditions, a minimum of twelve months' active marketing, immediately prior to making the planning or listed building consent application, will be required. The emphasis is on active marketing, rather than merely placing the properties on a website.

Where the proposal relates to the closure of an existing business, such as a public house, village shop, hotel, or care home, additional information will be sought with regard to:

- the steps that have been undertaken to diversify income and prevent the decline of the business, and
- any alternative commercial uses, compatible with the building, which have been considered

It should be recognised that there will be buildings or uses where other information may be required, and this must be agreed, prior to commencing the marketing campaign, as part of the Marketing Strategy.

If the marketing fails, the applicant will need to demonstrate in a marketing statement that a reasonable attempt has been made, without success, to continue the present use or (where appropriate) to find suitable new or mixed uses that are compatible with the building(s) or land.

A marketing statement explaining how the above guidelines have been met and summarising the outcome of the marketing exercise should accompany planning or listed building applications made to the District Council and will form an essential part of a justification case for a proposal for alteration, change of use or demolition

Securing a Suitable Community Re-use

It may not be necessary to market the property for a community re-use since any conversion/change of use is likely to emerge from a known need through the Parish Council, Parish Plan or local community group. Suitable reuses might include replacement village hall/community centre, crèches, Doctor's surgery, dental practice or community post office etc. The District Council can advise on obtaining this information should it be required.

Employment Value of Land/Premises

Marketing the site as outlined above will assist the District Council in assessing the employment value of the land/premises in question, allowing them to evaluate whether there is a need for the existing use to be retained or whether the proposed reuse is of greater community benefit.

It should not be assumed that any lack of potential market interest in the property for its existing use would automatically result in a favourable consideration of an application for residential use, other commercial options should also be explored.

Summary

In summary the marketing statement should include all details and evidence of the steps taken to market the building including:

- A copy of the letter of instruction to the agent
- The methodology used by the surveyor in arriving at a valuation
- Estate agents verifiable record of all enquiries
- Copy of the sales particulars and adverts
- Evidence that the property has not been marketed on the basis of a too narrow range of potential end uses
- Where appropriate evidence that steps that been undertaken to diversify income and prevent the decline of the business.

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Approved by Portfolio Holder for Economic Development Planning and Transport 24/4/2008

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