

Dumfries and Galloway Council

LOCAL DEVELOPMENT PLAN 2

Assessing the Adequacy of Marketing for Change of Use Applications

Planning Guidance - November 2019



Introduction

This guidance applies to situations where a change of use is sought for sites or premises which are currently safeguarded for specific uses or where the Council feels that the retention of the current use is important and it should not be lost without evidence to demonstrate that it could not be viable.

This may apply, for example, to safeguarded business and industrial sites where a change of use could lead to the loss of employment land or for a building which provides a community benefit, such as a public house or shop.

The requirement to demonstrate that a site has been effectively marketed before a change of use can be considered is found in Local Development Plan 2 policies ED1(A): Established Business and Industrial Areas and CF1: Community Facilities.

This Planning Guidance sets out the minimum action required when actively marketing premises or a site, outlining the marketing evidence which *must* be provided when submitting an application for change of use.

Marketing

In the majority of cases, the type of marketing strategy required will be dictated by whether a property is likely to be of local, regional or national interest. This can be determined by where a likely purchaser may be sought, i.e. sale of a local shop should attract local and regional interest, whereas sale of an industrial unit or site should attract both regional and national interest.

In order to establish the nature of the marketing strategy (for example, how extensive the marketing campaign needs to be and the amount of resources needed), the owner and agent should consider the following factors:

- Location;
- Age of the property;
- Planning / current use;
- Size;
- Accessibility;

- Potential market interest;
- Tenure;
- Sale or rental price.

Property marketing can be defined by a number of key activities which raise awareness to potential occupiers that the site or property is available. These are:

- Erection of a signboard;
- Production of particulars;
- Emailing to registered enquiries – i.e. from an in-house database;
- Targeted mailing;
- Press coverage;
- Inclusion of details on website;
- Registration of particulars with the Council's Economic Development Section and Scottish Enterprise.

In broad terms, the wider the market from which interest in the property is anticipated, the more extensive the campaign required. It is also reasonable to expect that the higher the anticipated rent / price the greater the marketing budget.

Prior to the commencement of marketing, the appointed agent will draw up a marketing report, appropriate to the type of property in question, which will set out the strategy to be adopted. The following is the minimum expected to ensure full market exposure.

Marketing Report – General Points

An agent must be appointed who has a proven track record in dealing with comparable property of that being marketed. The appointed agents will produce a marketing report, and marketing strategy when offering the property to potential clients, the following outlines what is the minimum the appointed agent is expected to do, the bullet points are what the Planning Authority will request as proof of measures undertaken.

Contained within the marketing report will be a valuation report with evidence of how the value / sale price has been determined (comparables, residual or investment method), applying a realistic sale / letting price allowing room for negotiation. The valuation report must be produced by an accredited member of the Royal Institute of Chartered Surveyors (RICS).

- **A copy of the marketing report should be submitted with the planning application. The report will ensure that a suitable asking price has been established, and that all other aspects of marketing are realistic and suitable for the type of property.**

For property within Dumfries and Galloway it is reasonable to expect a property, particularly industrial premises, to be marketed for a minimum of 12 months. During this time the marketing strategy should be reviewed and regular updates provided to the client.

- **The Planning Authority will request details of any marketing meetings, and updates in terms of changes to strategy.**

Signboard

A signboard should be placed in a prominent position clearly visible from the street, displaying the basic attributes of the property e.g. unit number and size along with the telephone number of the agent. The size of the sign board will be proportionate to the property.

- **The Planning Authority will request confirmation from the agent that this process was undertaken and the dates when it took place.**

Brochure and Mailing – General Points

The production of a brochure must show an acceptable audit trail and should have been passed to the client for confirmation of content, clarity and acceptance.

This is signed off and a record kept on file by the agent. If the property is being effectively marketed, this exercise should be undertaken early on in the process. The agency must place the brochure in-house, on public display during the marketing period, as a minimum, setting out:

- Location
- Description
- Terms / price (the price should be reflect that set out in the valuation report)
- Price on Application and photograph or map of subject property
- **The Planning Authority will request confirmation from the agent that this process was undertaken and the dates when it took place and a copy of the brochure produced.**

Target Mailing

The production of a brochure enables mailing and target mailing to be undertaken. This would normally consist of the brochure being sent to a list of developers, agents and known enquiries contained in an in-house database. Target mailing should always be undertaken. This may be sector specific or specific to certain attributes which the property has to offer.

- **The Planning Authority will request details of when this exercise took place, a copy of the mailing list, and accompanying letter.**

Press Coverage

In terms of advertising, an advert must be placed in a local paper and, where appropriate, national property press.

Given that a minimum of 12 months marketing period has been set, it is reasonable to expect a press advertisement to appear every other month or at least every three months. At the very least a modest 6cm / 9cm x 2 column wide, black and white advert is considered appropriate.

- **The Planning Authority will request a copy of adverts and dates when placed by the agent.**

Web Coverage

It should be demonstrated that particulars of premises have been registered on the relevant agent's website.

- **The Planning Authority will request confirmation from the agent that this process was undertaken and the dates when it took place and a copy of the webpage featuring the subject property.**

Responses to Marketing Enquiries

Having undertaken the above activities, evidence should be submitted to show those enquiries that have been received and recorded on file, along with any offers which may have been submitted.

- **The Planning Authority will request a copy of the enquiries received, the number of viewings, the number of type / proposed uses and the value of offers. Should any offers be received but rejected, then reasons for refusal must be outlined and justified.**

Conclusion

The timing of the above steps, along with the valuation and advertising of a property is critical to ensure the property has been fully exposed to the market. By requesting details / proof from agents of when these steps took place allows an audit trail to be established. This will ensure the Council can adequately assess an application for change of use on the basis of insufficient market demand for the existing use.

The Council may wish to employ an independent RICS accredited surveyor to review the marketing evidence provided.