

Application No: 21/2178/FH

Location of Site: Units 6A, 6B, 8A, and 8B Defiant Close, Hawkinge, CT18 7SU.

Development: Alterations and change of use of 6A, 6B, 8A and 8B Defiant Close from commercial uses (Classes A1, A2, A3 and B1) to residential (Class C3) creating 6 no. apartments.

Applicant: Pentland Homes Ltd.

Agent: Tracey Dixon, TaDPlanning Ltd. 51 Bayham Road, Tunbridge Wells, TN2 5HU.

Officer Contact: Ross McCardle

SUMMARY

Planning permission is sought for the conversion of existing redundant commercial/retail units to 4 residential flats. Hawkinge Town Council has objected to the scheme on the grounds that they consider there to be a need for employment opportunities in the village, but the Town Council has not provided any evidence to support that assertion and the applicant has provided full details of a robust and extensive marketing exercise proving there to be no demand for the units in their existing use. The application is considered to be acceptable in all respects, and recommended for approval subject to the conditions set out at the end of the report.

RECOMMENDATION:

That planning permission be granted subject to the conditions set out at the end of the report and that delegated authority be given to the Chief Planning Officer to agree and finalise the wording of the conditions and add any other conditions that he considers necessary.

1. INTRODUCTION

- 1.1. The application is reported back to Committee after being deferred for submission of further information (in regards advertisement for rent, rather than sale) at the meeting on 22 March 2022, then deferred again at the meeting on 26 July, with Members requesting additional further information in regards the sale price of the units, i.e. were they marketed for an appropriate, reasonable value?
- 1.2. The application was originally presented to committee due to an objection from Hawkinge Town Council.

2. BACKGROUND

- 2.1. The application seeks full planning permission for alterations and change of use of units 6A, 6B, 8A and 8B from commercial uses (Use Classes A1, A2, A3 and B1 when first approved, but now all included within Class E of the 2020 amendment to the Order) to create six residential flats (Use Class C3).
- 2.2. The deferred item report from the July meeting sets out the applicant's case in regards why rental was not pursued and is attached here as **Appendix 1**.

- 2.3. A detailed description of the proposed development (including drawing extracts) and the site and its surroundings (including photographs), the relevant planning history for the site, a list of consultation responses, and a list of the relevant planning policies are set out in full within the original report to committee, attached here as **Appendix 2**.
- 2.4. The applicant's response in regards rental is attached as **Appendix 3**.

3. APPRAISAL

- 3.1 The principle of development, scale, design, amenity, and highways considerations are discussed within the original report attached at Appendix 2.
- 3.2 Therefore, and in light of the above, the issue for consideration under this report is solely whether the advertised sale price was reasonable.
- 3.3 The applicant has provided a detailed statement prepared by Sibley Pares – a respected chartered surveying and estate agency – detailing the nature of the commercial market and the rates the premises were marketed at.
- 3.4 The statement comments that:

Instructions were received from Pentland Homes to offer the long leasehold interests in each unit for sale on the open market in October 2018, seeking offers between £150,000 and £325,000 dependent on size, location and specification. To arrive at our opinion of price, Sibley Pares gave consideration to prevailing marketing conditions, the aspirations of their client and experiences in the market. Most significantly, regard was given to the completed transactions of commercial units at Defiant Close, being an earlier phase of development offering commercial units to the open market.

- 3.5 It then continues on to set out that the units at adjacent Defiant Close were marketed and sold for between £130,000 and £310,000 (£151 to £173 per square foot) across a three-year period immediately prior to the current units being put on the market. The current application properties have been marketed at similar values, demonstrating a direct comparison to other local, comparable units within a recent timescale.
- 3.6 The report notes that COVID-19 has presented the market with uncertainties, and commercial markets (in particular retail, hospitality, and office sectors) have seen a drop in demand until recently, although this is bouncing back in larger county towns and commercial areas. (It has been established in the previous reports that Hawkinge is not an area where office or retail space is in demand, with potential purchasers preferring the increased footfall and consequent better viability of locations in either Folkestone or Dover.) The report also notes that the cost-of-living crisis and the war in Ukraine have recently presented further uncertainties in terms of market demand, making it unlikely that there would be interest in the units going forward. This is on top of the marketing evidence the applicant has provided to demonstrate that the site is in the wrong location and there has been no viable interest over the last two years.
- 3.7 In support of this the RICS Q4 2021 UK Commercial Property Market Survey (<https://www.rics.org/contentassets/fcce65aa9cc7444a803beff8ff040461/uk-commercial-property-market-survey---q4-2021.pdf>) sets out within its first paragraph that “offices and retail continue to struggle,” with negative demand for everything

except industrial use (which would not be appropriate here), and a nationwide trend for repurposing of commercial space into other uses due to low demand. The Q1 2022 report (<https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/uk-commercial-property-market-survey/q1-2022-rics-uk-commercial-property-market-survey.pdf>) maintains this position, indicating a very modest 3% increase in demand for office space but a negative demand for retail space and a net zero forecast for returns on commercial/retail floorspace as an investment, indicating that there is little to no market for significant investment in premises such as these.

- 3.8 In accordance with the resolution of this Committee, Officers sought expert advice from a chartered surveyor on the content of the marketing information submitted, with particular regard to the asking price and marketing exercise undertaken.
- 3.9 The advice received sets out that, in terms of retail, the reduced price per sq ft sought for the units is in line with the current marketing figures.
- 3.10 In terms of office space the asking price is comparable with current figures. The price would be appropriate for an offering consisting of a shell construction with initial fit out costs. There are comparable sale figures found elsewhere in the district and in Dover. The lack of allocated parking spaces would though be unattractive to the market.
- 3.11 The marketing exercise in terms of the brochure, mailing and website exposure are all considered to be acceptable.
- 3.12 Other considerations including low levels of footfall and passing trade have also been considered. The advice states that occupiers are more likely to be drawn to larger settlements which have better transport links, footfall, facilities and connections to other businesses.
- 3.13 In conclusion, the expert advice received is clear that the marketing exercise has been carried out at a reasonable rate that would be expected of units in this location and of this size. The marketing exercise that has been undertaken can therefore be deemed acceptable.
- 3.14 As such, officers are of the firm view that the premises have been marketed at a reasonable rate, and for a period well in excess of the Council's adopted requirements.
- 3.15 The recommendation therefore remains that planning permission should be granted, subject to the conditions recommended below.

Environmental Impact Assessment

In accordance with the EIA Regulations 2017, this development has been considered in light of Schedules 1& 2 of the Regulations and it is not considered to fall within either category and as such does not require screening for likely significant environmental effects.

Local Finance Considerations

Section 70(2) of the Town and Country Planning Act 1990 (as amended) provides that a local planning authority must have regard to a local finance consideration as far as it

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is material. Section 70(4) of the Act defines a local finance consideration as a grant or other financial assistance that has been, that will, or that could be provided to a relevant authority by a Minister of the Crown (such as New Homes Bonus payments), or sums that a relevant authority has received, or will or could receive, in payment of the Community Infrastructure Levy. There is no CIL requirement for this development.

In accordance with policy SS5 of the Core Strategy Local Plan the Council has introduced a Community Infrastructure Levy (CIL) scheme, which in part replaces planning obligations for infrastructure improvements in the area. *The CIL levy in the application area is charged at £59.04 per square metre for new residential floor space.

Human Rights

In reaching a decision on a planning application the European Convention on Human Rights must be considered. The Convention Rights that are relevant are Article 8 and Article 1 of the first protocol. The proposed course of action is in accordance with domestic law. As the rights in these two articles are qualified, the Council needs to balance the rights of the individual against the interests of society and must be satisfied that any interference with an individual's rights is no more than necessary. Having regard to the previous paragraphs of this report, it is not considered that there is any infringement of the relevant Convention rights.

Public Sector Equality Duty

In determining this application, regard has been had to the Public Sector Equality Duty (PSED) as set down in section 149 of the Equality Act 2010, in particular with regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it. It is considered that the application proposals would not undermine objectives of the Duty.

It is considered that the application proposals would not conflict with objectives of the Duty.

Working with the applicant

In accordance with paragraphs 38 of the NPPF, Folkestone and Hythe District Council (F&HDC) takes a positive and creative approach to development proposals focused on solutions. F&HDC works with applicants/agents in a positive and creative manner.

4. CONCLUSION

- 4.1 This application seeks planning permission for change of use of unoccupied commercial units to six residential flats. The applicant has provided acceptable evidence of a comprehensive marketing exercise which has yielded no offers, and in that regard the proposal complies with the Council's adopted policies. The proposed flats would provide a good standard of amenity for future occupants without harming the amenity of existing neighbouring residents, and appropriate parking and outdoor

amenity space are available within the wider site and nearby. The proposal is considered acceptable and is recommended for approval subject to the conditions set out below.

- 4.2 The application is therefore recommended for approval subject to the conditions set out below.

5. BACKGROUND DOCUMENTS

- 5.1 The consultation responses set out at Section 5.0 of the original report (attached as Appendix 1) are background documents for the purposes of the Local Government Act 1972 (as amended).

6. RECOMMENDATIONS

That planning permission be granted subject to the following conditions and that delegated authority be given to the Chief Planning Officer to agree and finalise the wording of the conditions and add any other conditions that he considers necessary.

Conditions:

1. The development to which this permission relates must be begun not later than the expiration of three years beginning with the date on which the permission is granted.

Reason: In pursuance of Section 91 of the Town and Country Planning Act 1990 as amended by the Planning and Compulsory Purchase Act 2004.

2. No development shall take place other than in complete accordance with drawings 29399A 003 rev P3, 011 rev P4, 111 rev P3, 112 rev P3, and 113 rev P3.

Reason: For the avoidance of doubt.

3. Prior to first occupation of the flats hereby permitted details to demonstrate that the dwellings hereby permitted shall use no more than 110 litres of water per person per day shall be submitted to and approved in writing by the District Planning Authority. The details shall be implemented as agreed.

Reason: In the interest of sustainable development and minimising water consumption.

4. Prior to erection of the bin store area hereby permitted details of the external materials to be used in the construction thereof shall be submitted to and approved in writing by the Local Planning Authority. The details shall thereafter be implemented as agreed and the bin store shall be provided prior to the first occupation of any of the flats hereby permitted.

Reason: In the interest of visual amenity.

5. The materials to be used on the external surfaces of the development hereby permitted shall match those on the existing building in terms of type, colour and texture.

Reason: In the interests of visual amenity.

6. No construction work in connection with the development shall take place on any Sunday or Bank Holiday, nor on any other day except between the following times:

Monday to Friday 0730 – 1900 hours, Saturdays 0730 – 1300 hours unless in association with an emergency or with the prior written approval of the District Planning Authority.

Reason: In the interests of residential amenity.

7. The car parking spaces shown on the submitted drawings shall be kept available for such use at all times and no permanent development, whether permitted by the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) (or any order revoking or re-enacting that Order) or not, shall be carried out on the land so shown or in such a position as to preclude vehicular access thereto; such land and access thereto shall be provided prior to the occupation of the dwellings hereby permitted.

Reason: Development without adequate provision for the parking or garaging of cars is likely to lead to car parking inconvenient to other road users.

Appendix 1 – Report presented to committee on 22 March 2022.

Appendix 2 – Applicant's further comments.