

# Repurposing Retail Units Technical Advice Note: Winchester District

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## 1. Introduction

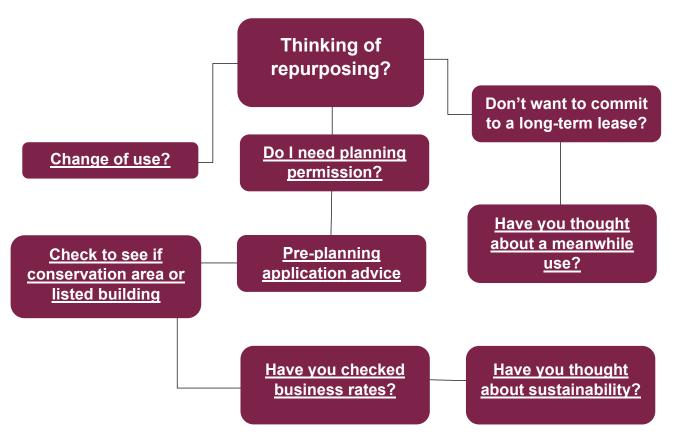
As the retail and high street landscapes evolve, there is a growing need to repurpose empty retail units. With the ongoing rise of e-commerce and changing consumer behaviours, the volume of vacant retail units across the UK continues to increase. As a whole, the Winchester district's vacancy rates are lower than the UK national average, however that doesn't mean we should be complacent.

This Technical Advice Note aims to provide guidance for those involved (including developers, landlords and potential tenants) in repurposing vacant retail spaces to ensure a vibrant local economy and the vitality of our district's high streets. There is a need for repurposing vacant units to revitalise urban areas and meet the evolving needs of communities.

The aim of this document is to help those involved to understand how to repurpose retail spaces. Repurposing presents an opportunity to add to the Winchester district's offer, continuing to stimulate economic growth and enhance community wellbeing.

The Winchester district has unique strengths and assets, which encourages strong economic growth and capitalises on green growth opportunities. The dynamic <u>Winchester District Ten-Year Green Economic Development Strategy</u> aims to ensure the district benefits from the new jobs, skills and services we will need in the future.

This guidance is not exhaustive and if you have any questions, please contact our Sector Project Officer, Emily Reason, at: <u>ereason@winchester.gov.uk</u>.





# 2. Why use a vacant space in the Winchester district

The Winchester district has a dynamic and robust economy which underpins high living standards for its residents and a positive outlook for investors. The district was voted the <u>second happiest place to live in Great Britain for 2023 according to</u> <u>Rightmove</u>, ranked top in the <u>latest Royal Mail Happiness Index in 2019</u> and appears in <u>Muddy Stilettos top places to live in 2024</u>.

Take a look at our <u>Grow your business in the Winchester district</u> webpage to find out more about why you should use a vacant space in the Winchester district. There you can also find our vacant property register.

#### 3. Meanwhile uses for retail units

A meanwhile use - or meanwhile lease – makes use of underutilised or vacant premises on a temporary basis. Meanwhile leases can help reinvigorate high streets by filling empty premises and supporting local small and medium enterprises (SMEs) and start-ups by offering new, creative workspaces, whilst reducing costs and allowing new commercial uses to be tested.

Meanwhile use duration depends on the temporary use. It can vary from several months to several years. The type of lease developed will vary case by case. <u>View</u> the government guidance on meanwhile uses.

The Code for leasing business premises in England and Wales strongly recommends you seek professional advice from a surveyor or solicitor before agreeing or signing a business tenancy/lease agreement. Find The Code here.

**Landlord:** a tenant could use your vacant space to test a concept or business idea. There are financial benefits for you letting your vacant unit to a tenant on a temporary basis. Meanwhile uses benefit you by providing short-term security and income for the interim stage whilst you find a new tenant for a longer-term lease. Meanwhile leases can also benefit you if you would prefer not to commit to a longterm agreement. For example, once the meanwhile use tenant is in place, the responsibility of paying business rates moves to them.

**Tenant:** having a short-term temporary lease could be a way to to try out a location and unit before committing to a longer-term lease. Using a vacant space on a meanwhile lease would help you to test and idea before committing to a lease on a more permanent basis.



#### 3.1 Case studies of best practice of meanwhile leases



<u>GET free books</u> are located in Colebrook Street in Winchester city centre and have a meanwhile lease.

"All of our shops except one are on a 28-day rolling lease. We move into an empty building as a temporary tenant and if the landlord finds a more permanent tenant we move on."

<u>**Camden Collective**</u> take empty units and support London's creative community of start-up businesses by providing affordable temporary workspaces. They take on temporary leases of empty buildings and vacant sites providing positive economic and social benefits for the local area. *Photo by Camden Collective.* 



## 4 What to think about when planning to repurpose a retail unit

Before repurposing a retail unit it is advised to conduct thorough analysis of local current market conditions, demographic trends, competition and consumer preferences. Ensure that the repurpose will fit in well with any surrounding units, benefit the local economy and that there is a need and demand for it.

Community engagement is important throughout a repurposing process. The creation of mixed-use repurposing developments meets the diverse needs of residents, contributing to an inclusive and diverse neighbourhood. This can be done through residents' surveys and engaging with local businesses and residents at meetings – both of which help understand what type of establishment would bring the most benefits. This information would identify potential uses and could build partnerships and collaborations on the repurposing project.

**Landlord:** If you are looking to repurpose your unit to attract prospective tenants, a flexible design approach is recommended, allowing for easy adaptations to accommodate various uses, such as office space, leisure facilities. It is also important to incorporate sustainability principles into the design, including energy efficiency measures, such as installing LED lighting and renewable energy generation such as solar panelling where possible.

**Tenant:** when repurposing a retail unit, conducting a financial feasibility study to assess the potential return on investment is important. Also look for any grants that could be available, check out the Government's *Find a Grant* service.



It's also important to find out if you need planning permission early on - there is more information on this in section five in this document below.

#### 5. Planning and legislation

**Tenant:** you will need consent from the landlord before applying for planning permission. Leases often contain a provision allowing you to apply for planning permission where the landlord has already given consent.

#### Planning guidance notes can be found here

# 5.1 Pre-planning application advice

Our planning team have a <u>planning enquiry service</u>, which helps you save time. The service is designed to help with any queries before a planning application is submitted.



#### 5.2 Change of use

If a material change is being brought about because of the planned change of use of land or buildings, planning permission will be required. When considering an application, planning officers will assess the significance of the change proposed. For example, if the space will now be used as residential dwelling, when previously it was a shop - or the other way around. **Please note: movement from one primary use to another within the same use class is not development and does not require planning permission.** 

**Tenant:** whether you can change the use of the premises will very much depend on the terms of the lease that grants you the use of the premises in the first place. The terms of the lease should be the first thing that you should look into if you are thinking of re-purposing a property.

What is included	Current use class (after Sept 2020)
A1 (shops)	
A2 (financial and professional services)	Class E
A3 (restaurants and cafes)	

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A4 (drinking establishments)	
B1 (business)	Class E
B2 (general industrial)	
	Class B
B8 (storage or distribution)	
C1 (hotels)	
C2 (residential institutions)	Class C
C3 (dwelling houses)	
C4 (housing in multiple occupation)	
D1 (non-residential institutions)	
$P_{2}^{2}$ (accomply and laigure)	Class E
D2 (assembly and leisure)	
Suis generis is a Latin term that, in this context, means 'in a class of its own'. Certain uses are specifically defined and excluded from classification by legislation.	Sui generis

## 6. Conservation areas and listed buildings

Retail units which are in listed buildings or reside in conservation areas in the district have additional restrictions and guidelines.

<u>Historic England</u> is the national lead advisor on all things related to the historic environment. Their advice includes best practice for repairs and maintenance to historic buildings, energy efficiency improvements, compliance with the building regulations and managing vacant buildings.

There is also a guide <u>available on our website</u> for making energy efficiency improvements to historic buildings

The <u>Society for the Protection of Ancient Buildings</u> offer detailed advice and a free advice-line, which historic building owners can call for specialist guidance from an experienced historic building expert.

#### 6.1 Conservation areas

Commercial properties within conservation areas have limited permitted development rights. Permitted development rights are a national grant of planning permission which allow certain building works and changes of use to be carried out without having to make a planning application.

Check here to see if your building is in a conservation area.



Usually planning permission is required to make a change to your business premises. Please seek advice if you are not certain.

## 6.2 Listed buildings

If the property is, or is a part of, a listed building you will also need to apply for listed buildings consent for any internal or external alterations. <u>Find out more</u>.

Find out if the unit is in a listed building by viewing the national register.

#### If you want to repurpose or alter a listed building you will need to get permission from Winchester City Council.

#### 7. Building regulations

You must check if you need approval before you construct or change buildings in certain ways. Building regulations approval is different from <u>planning permission</u>. In some cases you may need both.

The <u>Building Regulations 2010</u> cover the construction and extension of buildings. You might also need building regulations approval for many alteration projects.

You could need approval, or to follow special rules, for works not listed here - so always research your particular project.

#### 8. Shop fronts

Sustainable and successful development of traditional and contemporary shop fronts is vital to ensure the continued prosperity of the local historic high streets and town centres.

#### 8.1 Replacement of existing shop fronts

We have a guidance document which sets out the principles of <u>good shop sign and</u> <u>shop front design here.</u>

You must seek planning permission before you make any changes to the form or style of a shop front.

#### 8.2 Advertisements

Displaying an advertisement often requires an <u>advertisement consent</u>. There are national rules about which ones do and do not require consent.



## 9. Environmental health advice

Repurposing retail units may also require an Environmental Impact Assessment to be submitted. An Environmental Impact Assessment is a collection of detailed findings that is submitted alongside and to support a planning application.

We will work with applicants to determine whether an assessment is required. Find out about Environmental Impact Assessments.

#### 10. Business rates

Business rates are a tax on non-domestic properties, including shops. They are calculated based on the rental value of the property. The rates vary on a given property's location and size. Business rates are usually payable by the tenant, however if there is no tenant, then this responsibility falls to the landlord.

#### **10.1 Empty property relief for landlords**

**Landlord:** if a property becomes unoccupied for a limited period, you could be eligible for empty property relief. The relief starts from when the property becomes empty for three months. After this time, you must pay full business rates on the empty unit.

Here are some circumstances where you can get extended empty property relief:

- listed buildings until they're reoccupied
- buildings with a rateable value under £2,900 until they're reoccupied
- properties owned by charities only if the unit's next use will be mostly for charitable purposes

You must still tell us when there is a change of circumstances, for instance if a tenant has occupied the unit or the property has been sold.

For more information or to request a reduction for empty rates please email: <u>businessrates@winchester.gov.uk</u>.

#### 11. Sustainability

It is recommended, when thinking of repurposing a retail unit, that sustainable solutions are adopted. Ideas such as installing solar panels, LED lighting or double-glazing windows and doors. These will not only lower the properties carbon footprint, but it could also lower costs. <u>Find out more here.</u>



# **11.1 Energy Performance Certificates (EPCs)**

**Landlord:** before promoting a unit to prospective tenants, you will need to have commissioned an energy performance certificate (EPC). Buildings that do not meet a minimum E rating, or have an exemption in place, cannot be legally let. <u>If you do not have one, you can arrange to have one.</u>

You must display an EPC by fixing it to your commercial building if all these apply:

- the total useful floor area is over 500 square metres
- the building is frequently visited by the public
- an EPC has already been produced for the building's sale, rental or construction

You do not need an EPC if you can demonstrate that the building is either:

- listed or officially protected and the minimum energy performance requirements would unacceptably alter it
- a temporary building only going to be used for two years or less
- used as a place of worship or for other religious activities
- an industrial site, workshop or non-residential agricultural building that doesn't use much energy
- a detached building with a total floor space under 50 square metres
- due to be demolished by the landlord and they have all the relevant planning and conservation consents.

## 11.2 Environmental taxes, reliefs and schemes for businesses

Environmental taxes encourage your business to operate in a more environmentally friendly way. There are taxes and schemes for different types and sizes of business.

Businesses may get reliefs or be exempt from some taxes, if:

- you use a lot of energy because of the nature of your business
- you're a small business that does not use much energy
- you buy energy-efficient technology for your business

#### Find out more.

# **12. Successful retail repurposing projects in the UK**

#### Southampton: The Marlands Shopping Centre – former Matalan unit

After years of being a Dunnes Stores followed by Matalan, the unit became vacant in 2014. The ground floor was converted to individual retail units. The first floor became a world buffet that linked into the first floor of the shopping centre, as data-led



insights indicated that people were leaving the area when they wanted to eat out. The upper levels were fitted out for a co-working space that is currently operated by Barclays Eagle Labs and GO Southampton (Southampton Business Improvement District). Retaining the ground floor for retail encourages footfall, enhances the streetscape and adds a sense of place. This helps create a buzz and atmosphere that may help attract residential or office tenants.

#### Wandsworth, London: former Debenhams store

The former Debenhams store in Wandsworth was let to <u>Gravity Entertainment</u>. Repurposing a retail unit as a leisure amusement outlet not only offers something different to residents and visitors, but also supports the traditional retail units surrounding the repurposed unit by driving footfall. *Photo by Gravity*.



#### Birmingham: former John Lewis store

The former John Lewis in Birmingham, which had been sitting empty for over three years, is being transformed into a 'well-being designed' offices called <u>Drum</u>. The plans include a ground-floor restaurant along with a "premium grocery offer", a gym, a physiotherapy room and changing and storage facilities for cyclists.

#### Cambridge: Grafton Shopping Centre

<u>The Grafton Centre</u> had been declining over recent years because of changes to the way people shop. Pioneer Group hope to save retail at the Grafton by creating a better shopping environment centred around a new public square, while converting much of the Grafton Centre into laboratory and event space – bringing more than two thousand science jobs, from PhD to apprentice-level.



#### Photo by Grafton Centre.

#### Stafford: Guildford Shopping Centre

Six units are being amalgamated to create a food court with four trading brands to include: Subway, Aroma Coffee (sister brand to Caffe Nero), Wrapchi and Mexi-Can. The development will also see the repurposing of existing space to include the creation of an incubator workspace for local trades and crafts such as carpentry, brewing and metal works and dedicated events space.

#### Exeter: Positive Light Projects

Positive Light Projects is a not-for-profit organisation using the visual arts to engage and inspire a diverse range of audiences and communities as well as developing emerging practitioners and aiding them move their practise forward in exciting and innovative ways. They have a focus on and strong belief in community based, socially engaged creative practise. Using a building that had been empty for five years they have created a three-story city centre building. The new development includes a large workshop space, meeting room, reception, reference library, photographic studio, two offices, six artist studios and what will in time will be a photographic darkroom.

# Salisbury: Fisherton Mill

Fisherton Mill started as a Mill back in the 1800s. In 1984 the decision was taken to close the business. In 1993 the building was in serious need of major work so the journey of repurposing began. Both the great grandsons of the original founder produced a plan to revitalise the building, renovating it for its new role as a gallery, and opening the following year. Now it represents one of the largest independent arts organisations in the South West with a gift

shop, Café, fifteen artists' studios and an exhibition space. Photo by Fisherton Mill.

# Totton: Creative Hub

Fluid Motion have created a safe, friendly and creative space for children and young people aged between eight and eighteen. They run a year-round programme of arts-activities. In the past the unit has been used for retail, hairdressing and hospitality. Now it is thriving creative hub, becoming known as 'the' place for the younger demographic to experience culture.

# Frome: Makers Yard

Originally part of a Victorian tannery, the Makers Yard warehouse has been re-established as a valued creative hub, housing an event space, artist studios and community yard. The space also hosts a growing programme of exhibitions, workshops, screenings, performances and co-authored arts and culture projects. The shared vision is to create a space that is much more than just a place of work but an environment that encourages new ideas, new conversations and new connections. *Photo by Makers Yard.* 

# Eastleigh: The Sorting Office

Born from a need for affordable workspace for businesses in the creative sector, the studios were originally forged from an old postal sorting office in the heart of Eastleigh Town Centre, before they relocated to another vacant lot in the town centre. The Sorting Office is dynamic studio space: home to a number of gifted artists and designer-makers from a variety of disciplines, such as textiles, embroidery, printmaking and illustration.





