

MEZZANINE FLOORS :THE NEED FOR PLANNING PERMISSION

The Government has announced that the 10 May 2006 is when planning permission will be required for the creation of new internal retail floorspace of over 200 square metres gross – including therefore, mezzanine floors.

What does it mean?

In simple terms:

- The insertion of mezzanine floors or
- The use of internal space (such as storage), for the retail sale of goods
- In either town centres or within edge of centre out of town retail developments

which either individually or cumulatively exceeds 200 square metres gross, will require planning permission where the purpose is for the sale of retail goods to visiting members of the public.

Reasons for the proposed change?

The introduction of the additional planning control is because the insertion of mezzanine floors is regarded by the Government as a loop hole in the planning system. This is to be closed as part of the Government's underlying objective – enshrined in PPS6 – to protect the town centres from edge or out of centre/out of town retail developments.

Investment and development implications?

This additional planning control will further restrict the supply of out of town retail floorspace; therefore other things being equal, if demand for edge and out of town retail space still continues to increase due to occupier demand, then rents and yields should respond accordingly.

What should I do now?

If mezzanine floors are still being proposed, or other increases in internal retail floorspace that are over 200 square metres gross, in order to prevent any possibility of enforcement action by the Local Planning Authority after the commencement date of the regulations, it is advised to implement the internal works and to have evidence that the works have indeed started before 10 May.

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