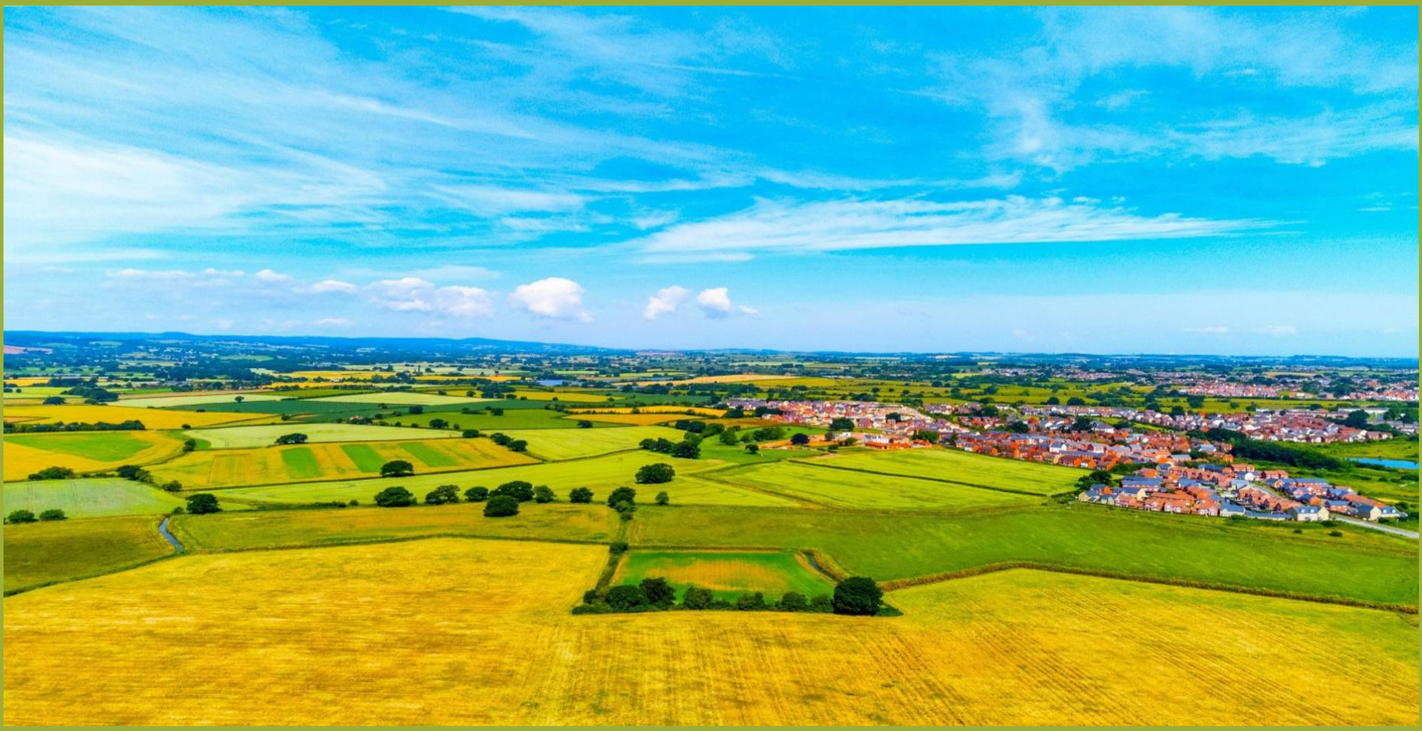
Value My Land

Maximising Returns for Landowners

What Is a Land Promotion Agreement?

A Practical Guide for Landowners

How a promoter can fund and manage planning, how costs and fees are treated and how the eventual sale should be controlled.



Value My Land

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What Is a Land Promotion Agreement?

A Promotion Agreement appoints a specialist promoter to pursue an agreed planning and development strategy for a defined site. The promoter normally funds approved planning, technical and professional work at its own initial risk while the landowner retains ownership of the land.

If the contractual planning outcome is achieved, the land is usually marketed to third-party purchasers. Approved costs and the promoter's agreed fee are then dealt with from the sale proceeds in the order set out in the agreement, with the balance paid to the landowner.

A Promotion Agreement can provide a funded route through planning, but the detailed terms determine control, net proceeds and landowner protection.

Why do landowners use Promotion Agreements?

A Promotion Agreement can provide access to planning expertise and funding without requiring the landowner to finance a lengthy and uncertain process personally.

- Avoid major upfront expenditure on planning and technical work
- Retain ownership while the agreed promotion strategy is pursued
- Access specialist planning, consultant and project-management expertise
- Pursue Local Plan allocation, planning permission or an appeal where justified
- Test the value of the land through competitive marketing after planning progress

Where does it sit in the process?

Initial site review → heads of terms and independent advice → Promotion Agreement → planning and technical work → agreed planning outcome → open-market sale → completion and distribution of proceeds

Read the full online Land Promotion Agreements Guide

Why Landowners Should Understand the Agreement Before Signing

A Promotion Agreement may control important planning and sale decisions for several years. The landowner should understand the site opportunity independently, compare the proposed route with alternatives and ensure that the heads of terms reflect the actual planning risk and potential value.

The commercial result depends on the complete agreement rather than the promoter's headline percentage. Cost definitions, interest, minimum-price provisions, sale obligations, retained-land protection and the duration of control can materially affect the landowner's net outcome.

The promoter's percentage is only one part of the economics

A lower fee does not necessarily produce a better result if recoverable costs are widely defined, interest is high, the minimum price is weak or the marketing process does not create genuine competition.

The planning obligations must be measurable

The agreement should define the strategy, endeavours standard, milestones, reporting, budgets and circumstances in which an application, appeal or Local Plan representation must be pursued.

The sale process can determine the value achieved

The appointment of the selling agent, market exposure, bid assessment, purchaser selection, minimum price and consequences of rejecting an offer should be clear before the landowner becomes obliged to sell.

Compare the whole net outcome: planning duties, recoverable costs, fee basis, minimum price, marketing and retained-land protection.

Compare Promotion and Option Agreements

Key Terms in a Promotion Agreement

The wording should be tailored to the site, planning route and landowner objectives. Generic heads of terms can conceal important differences in duration, cost recovery, decision-making and the treatment of land that is not intended to be sold.

Promotion Period Check the initial term, extension events, milestones and ultimate longstop against the likely planning route.	**Planning Standard** Define the objective, endeavours obligation, reporting and when applications, appeals or representations must be pursued.
Approved Costs Identify recoverable categories, budget approval, accounting, exclusions and whether interest is charged.	**Promoter Fee** State whether the fee is based on gross or net proceeds and how phases, deferred payments and overage are treated.
Minimum Price Set a meaningful minimum sale price or landowner receipt, together with valuation, indexation and review provisions.	**Marketing & Sale** Define the selling agent, market exposure, bid comparison, purchaser selection and qualifying-offer process.

What else should be checked?

- The promoted boundary and any land required for access or infrastructure
- Assignment rights, financial standing and competing-site conflicts
- Restrictions on dealings, lender consent and existing occupation
- Access, drainage, services and construction effects on retained land
- Termination rights, title release and treatment of accrued costs
- Ownership, licences and transfer of planning and technical reports
- Independent legal, valuation, planning and tax advice before signing

The agreement should balance the promoter's ability to progress the site with practical landowner protections, transparent accounting and a sale process capable of testing the market.

How a Land Promotion Agreement Works

Every site requires a tailored strategy, but the contractual and planning journey usually follows the stages below. The agreement should identify the decision-maker, reporting requirements and landowner approvals at each stage.

1. Initial site and ownership review - The planning position, access, constraints, title, ownership and likely route to development are assessed before long-term control is granted.

2. Heads of terms and independent advice - The period, fee, costs, minimum price, planning duties, approvals and sale process are negotiated and reviewed by the landowner's advisers.

3. Agreement completed - The promoted land and required rights are defined, title protection is addressed and lenders, co-owners, tenants or occupiers are considered.

4. Planning and technical promotion - Work may include Call for Sites submissions, Local Plan representations, technical evidence, pre-application discussions, a planning application and, where justified, an appeal.

5. Agreed planning outcome achieved - The contract should define the result that activates marketing, including the permitted use, minimum development parameters and any challenge or condition requirements.

6. Marketing, purchaser selection and completion - The land is prepared for the market, competing bids are compared and the successful transaction completes under the agreed sale provisions.

Planning success should trigger a controlled market process, not an automatic sale on terms the landowner has not understood.

Read: Selling Land for Development Guide

Promotion Costs, Fees and Sale Proceeds

The promoter normally advances agreed expenditure, but recoverable costs reduce the sale proceeds available for distribution. The landowner should understand the approved categories, budget controls, accounting information, interest and order of deductions before signing.

Planning & Consultant Costs
Planning, design, highways, drainage, ecology, landscape, heritage and other agreed professional work may be recoverable.

Application & Appeal Costs
Fees, counsel, inquiry work and challenge costs should be covered only where the agreement authorises the relevant step.

Legal & Agency Costs
Specify which promotion, sale and landowner professional costs are paid, capped or deducted from proceeds.

Budget Controls
Require an approved budget, regular updates and consent before material overspend or a change in strategy.

Interest on Costs
Check whether interest accrues, at what rate, from which date and whether it ranks before the promoter fee.

Promoter Fee Basis
Clarify the percentage or formula, the definition of proceeds and the interaction between the fee and recoverable costs.

Deferred Payments & Overage
State how staged consideration, retentions, overage or later receipts are allocated and when further fees arise.

Completion Statement
Require a transparent statement showing gross proceeds, each deduction, the promoter fee and the balance due to the owner.

The landowner should model an example completion statement before signing, not wait until the land is sold to understand how costs and the promoter's fee affect the net receipt.

What Does a Promotion Agreement Mean for the Landowner?

A Promotion Agreement lets the landowner retain title while granting the promoter rights to pursue planning and arrange a sale. The restrictions, approvals and effect on retained land should be clear.

1. Ownership is normally retained - The landowner remains the registered owner until the eventual sale completes.

2. Dealings are restricted - Sales, leases, charges and conflicting planning steps may require the promoter's consent.

3. The promoter leads agreed work - The promoter manages the professional team under the strategy, budget and reporting duties.

4. Landowner approvals are defined - The contract should identify which planning, expenditure and sale decisions require approval.

5. The site is marketed after planning success - Competing purchasers can bid once the agreed outcome is achieved.

6. A qualifying sale may become mandatory - The owner may have to accept a bid satisfying the agreed price and sale tests.

7. Retained land must be protected - Access, services, drainage, construction, boundaries and future phases need clear safeguards.

A Promotion Agreement is a long-term control and sale arrangement - not merely a promise to submit a planning application.

Read: Land Option Agreements

Read: Promotion Agreement vs Option Agreement

What If Planning Is Delayed, Refused or Promotion Ends?

Planning promotion can be delayed by Local Plan changes, technical evidence, consultation, refusal, appeal or infrastructure. The agreement should distinguish ordinary planning risk from promoter inactivity and set a clear ultimate longstop.

A refusal or adverse assessment should trigger a reasoned review of prospects, costs and next steps. The promoter should not be required to pursue a hopeless challenge, but the landowner should not lose a credible opportunity because the obligations are vague or wholly discretionary.

A focused agreement should address:

- Milestone reporting and evidence that the site is being actively progressed
- When applications, appeals, representations or legal challenges must be considered
- Extension events for plan delay, determination, appeal or judicial proceedings
- Budget review and approval before substantial additional expenditure
- Default, cure periods, termination rights and prompt release of title protection
- Transfer or licensing of useful planning material, reports and warranties on exit

Continued promotion must remain justified

If a material constraint cannot be overcome or the planning route changes fundamentally, the parties should be able to review, reframe or end the strategy in a controlled way. Termination should leave a clear cost position and prevent valuable work from becoming unusable.

Failure should produce a clean exit: released title protection, a clear cost position and access to useful planning material.

How Can a Promotion Agreement Affect Land Value and Sale?

A Promotion Agreement can help improve the planning position before sale and can create market competition between developers. It does not guarantee a particular permission, timetable or price, and the eventual value remains specific to the permitted scheme and its delivery costs.

Purchasers will assess capacity, access, infrastructure, affordable housing, planning obligations, abnormal costs, phasing, conditions and market demand. A strong planning outcome may still produce a disappointing receipt if the sale terms or deductions are poorly controlled.

Open-market competition can help test value

A properly prepared and adequately exposed marketing process allows bids to be compared on price, certainty, conditions, programme and deliverability. The highest headline figure may not be the strongest reliable offer.

Net proceeds matter more than headline price

The landowner should compare the expected gross price with approved costs, interest, promoter remuneration, agency and legal expenses, deferred payments, retained-land liabilities and tax. Independent valuation and legal advice remain important throughout.

The best offer is the one that produces the strongest reliable net receipt after costs, fee, conditions, timing and retained-land consequences.

Find Out What Your Land May Be Worth

How Value My Land Can Help

Value My Land can review the development opportunity, explain whether a funded promotion route appears proportionate and identify the planning and commercial issues that should be reflected in the agreement. The strategy is tailored to the individual site and the landowner's objectives.

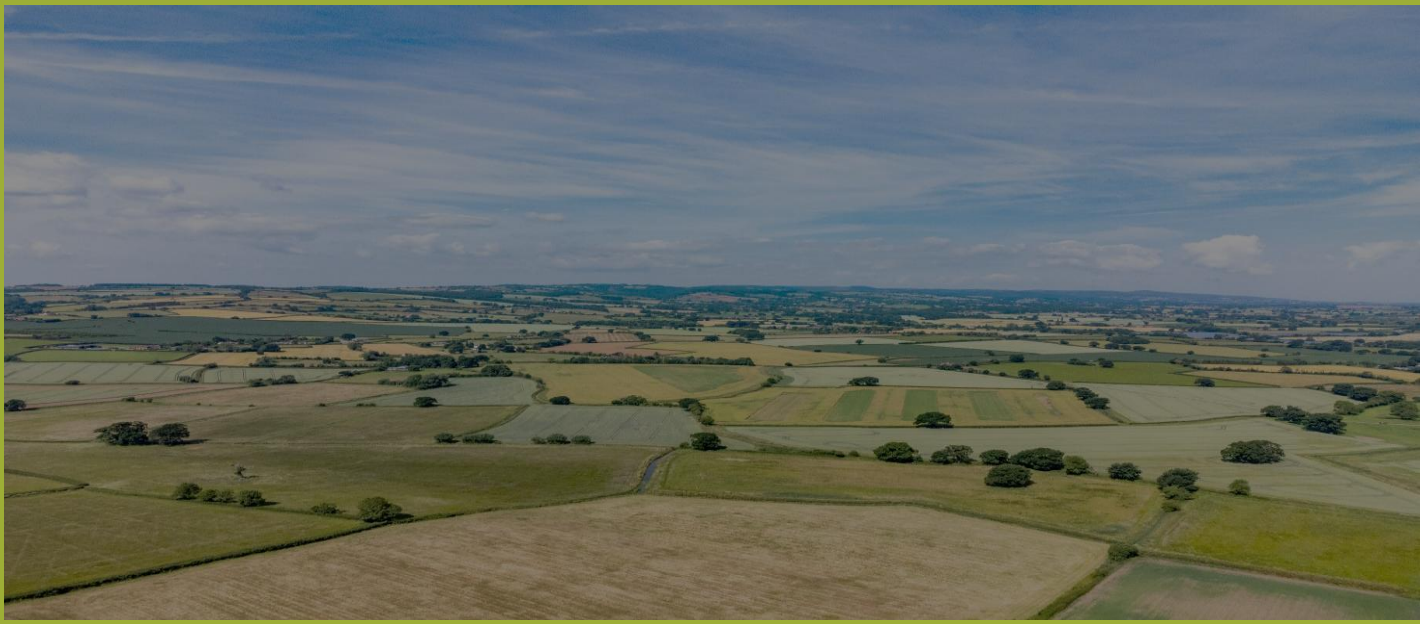
Free Planning Assessment We review the site location, policy position, access and principal constraints before a long-term strategy is proposed.	**Site & Ownership Review** We identify the promoted boundary, title interests, retained-land issues and any third-party rights needed for delivery.
Promotion Strategy We plan the route through Local Plan work, technical evidence, applications, consultation and, where justified, appeal.	**Funded Professional Work** Under an agreed Promotion Agreement, we fund and manage the approved planning and technical programme at our risk.
Landowner Communication We provide updates, explain material decisions and seek approvals in accordance with the agreed governance arrangements.	**Market-Led Sale** Following planning success, we prepare and market the site so that credible purchasers can compete under the sale provisions.

Promotion Agreements

Where we enter into a Promotion Agreement, we fund and manage the agreed planning process at our own cost and risk. This may include Local Plan promotion, professional surveys, technical evidence, planning applications and other agreed work. If the agreed planning objective is not achieved, our funded promotion costs are written off in accordance with the agreement.

Our remuneration is agreed in advance and becomes payable when the land is successfully sold under the agreement. The landowner retains ownership until sale, and our return is linked to the proceeds achieved. The landowner should obtain independent legal, valuation and tax advice before completing any Promotion Agreement.

Request a Free Promotion Agreement Review



Should You Enter Into a Promotion Agreement?

If you have been approached by a promoter or are considering a funded route through planning, contact Value My Land for a free, no-obligation initial review of the site opportunity and the issues that should be addressed before long-term control is granted.

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Delivering Sustainable Development

Further reading: Land Promotion Agreements | Land Option Agreements | Promotion Agreement vs Option Agreement | Local Plan Allocation Guide

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