

VICKERY HOLMAN

PROPERTY CONSULTANTS

RENAISSANCE PLYMOUTH

“Out of the old comes the new vibrant Plymouth”, comments Property Consultants Vickery Holman



If it's a while since you have been to Plymouth then you had better come soon or you will not recognise it and there is no better example of this rejuvenation than Plymouth Gin, from being one of the most recognised and oldest brands dating back over 200 years to being one of the newest restaurant and bar in the City.

Number 60 Southside Street on The Barbican is the oldest working gin distillery in the country, in addition to the distillation process and closely guarded "secret" recipe. The building also has its roots in the past dating back to the 15th Century.

The decision by Whitbread to close the Beefeater Restaurants and

COMPANY GROWTH



Despite having achieved its best ever results in its last financial year, Vickery Holman has set plans for further growth resulting in a comprehensive review and subsequent reorganisation of its operations. The company structure will now be divided into service streams, including Agency, Building Surveying, Valuation and Litigation in order to provide an improved focus on the existing skills, which Vickery Holman offers.

As part of the same reorganisation Vickery Holman also announce the recruitment of Gordon White as a 'Non Executive Director' and are currently seeking to recruit a Finance Manager to add to the existing administration function to assist with and maintain the planned growth.

After the recent revaluation of the company's shares, the stock has risen to a record high of £2.05, an annual growth rate of well over 5% since the incorporation in 1997. With a dividend

of £0.20p in the last financial year, the stock remains a solid investment for staff who are given the opportunity to invest in the Company's future!!

Managing Director Greg Oldrieve comments "Our success has led to us outgrowing our systems. These changes will enable us to manage further growth whilst maintaining quality, for the benefit for both clients and staff. Further recruitment is planned over the next twelve months as these services develop".

bar in the distillery presented Plymouth Gin with an opportunity to reacquire the accommodation under a right of pre-emption in the Lease. Using Nick Holman's expertise as a licensed property valuer, Vickery Holman negotiated the purchase of Whitbread's long leasehold interest.

With the entire property back under their occupation and control, Plymouth Gin could embark on refurbishment and reorganisation of this space to improve the visitor facilities and present a new café/restaurant facility and cocktail lounge.

A Grade II Listed Building requires specialist and sympathetic conservation knowledge. Therefore Plymouth Gin employed Vickery Holman's building surveyor Mike Spencer with a qualification in Architectural Conservation and 31 years experience to ensure the works were carried out with best practice in mind.

The project is another example of the coordination of a number of specialisms within Vickery Holman assisting clients to optimise the return from their properties.

T R U R O • P L Y M O U T H • E X E T E R
T H E S O U T H W E S T S P E C I A L I S T S

THE BEST ENVOY

ENVOY



Envoy Commercial Property Management has completed its best year yet. The last twelve months have seen Envoy secure 12 new instructions across Devon & Cornwall. "These jobs have been spread across all three offices" comments Director Justin Armstrong, "demonstrating how Envoy can service the South West Property market at a local level".

Some of this new work has come from existing Clients expanding their portfolios but others have been new business including, from the Exeter office, Melrose House (Offices), from the Plymouth office, Derry's Cross (Mixed Leisure) and from the Truro office, Tenant Industrial Estate at Wadebridge.

Lucy Oliver, BA (Hons) MRICS, has joined Envoy to help facilitate this expansion and will be working primarily from the Plymouth office.

One key area which this growth can be attributed to is the matter of Service Charge. Covering the full spectrum of management services on behalf of clients, Envoy finds that this is the one subject which both Landlords and Tenants struggle with the most.

"Usually we try to be as pro-active as possible in the way we manage property", continues Justin Armstrong, Envoy Director "and certainly with many of the instructions we have taken on recently have found some real problems with the way service charges are run."

Apart from the obvious issues such as high expenditure and a lack of planned maintenance programs, Envoy regularly uncovers instances where tenants are paying for services that they either don't need or have and Landlords have paid for charges on vacant properties that have been subsequently re-let.

More often than not, these issues mean that it is difficult to reconcile service charges quickly at the end of the year and indeed to budget ahead which is vital. The knock on effects go beyond existing tenants as it also makes it difficult for prospective tenants to commit to a property when they don't know how much it will cost them.

To find out more about how running an efficient service charge can affect the value of your property, or on any other property management issues, contact Justin Armstrong on 01872 245605.



1 MILLION SQUARE FOOT – TAKE UP

So how healthy is the industrial market in Plymouth? Our figures show that in the course of the last 12 months that the industrial floor space take up has been just under 1 million square foot. Of this, nearly 400,000 Sq.ft was acquired in three separate buildings on a freehold basis by developers for break up or alternative use opportunities. These buildings included the former Paper Mill Converting premises at Southway (200,000 Sq.ft), the former Stafford Miller building at Estover (130,000 Sq.ft), and Unit J at Marsh Mills (64,000 Sq.ft).

The average industrial requirement for Plymouth was in the region of 10,000 Sq.ft. but there has been limited investment into the industrial sector for this size of accommodation. Demand clearly outweighs supply in the size bracket of up to 10,000 Sq.ft which has resulted in new prime rental levels being achieved at around £5.50 Sq.ft for units up to 5,000 Sq.ft, rising up to £6.00 Sq.ft for the smallest units of 1,000 Sq.ft. These trends are a strong attraction for the industrial investor market, and Plymouth is nearly on a par with Exeter in terms of their prime rental levels.

There are still pressures on the demand for the availability of employment land. The redevelopment of former manufacturing sites may be the way forward to achieve the release of immediate site opportunities. However, Plymouth requires a structured development approach, and desperately needs the release of new major employment sites. The key estates are now nearly at full capacity, and the availability of land for development within Plymouth is limited.

For further information please contact Laura Stapelton on 01751 261 811.



Laura Stapelton

DEVELOPMENTS STOPPED IN TRACKS!

Vickery Holman's Party Wall Surveyors have seen an increasing number of developments which have been stalled or difficulties encountered needlessly.

Why is this occurring? We feel it is because building owners or developers have not asked for advice in respect of Party Wall matters from suitably qualified surveyors early enough in the planning stage.

We have seen a steady increase in the number of appointments to arbitrate Party Wall Act matters which has also reflected the extent of development within the region. Unfortunately we are sometimes appointed too late after work has started to alleviate any frustration and anger the neighbour experiences because they were not informed of the full extent of the work, consequently the developer can face expensive delays. Many examples can be given where a developer has brought his site to a complete halt due to the Act and accrued costs which exceed the costs of arbitrating the Award.

An example is seen in a recent Appeal Court case where the defendant,

allowed contractors to use a tool too heavy for the job. The Appeal Court held in favour of the claimant, that the failure to comply with the Act and serve Notice should not exclude a common law remedy for nuisance or negligence. The costs for the case were nearer £30,000 rather than the original repair bill of £1840!

The implication for anyone considering building works to a party wall or foundation excavation within 6 metres of a neighbour's property allows the courts "to take a reasonably robust approach to causation" should damage occur. This simply means if damage is caused and Notice was not served, the courts will find in favour of the Adjoining Owner.

Our advice to anyone considering a project is simple. If you are unsure the Act applies, ask before proceeding

For more information on Party Wall issues contact Roger Squire on 01392 203010.



Roger Squire



INCREASED RATES LIABILITY

ITS DDA TIME!

Whatever your views on the virtues of the Governments property occupancy taxes of Rates and Council Tax, they are pressing ahead with the commercial property revaluation to be effective from April next year.

Figures issued by the Valuation Office Agency indicate that the average Rateable Value will increase by 20% with retail, hotel and caravan parks being considerably greater. There could be as much as 30% increase over the previous valuations in 2000. Whilst the actual figure for UBR will probably not be confirmed until March it is

anticipated to be in the region of 41.5p and consequently the rate bills could increase by as much as 20%. It has been confirmed that transitional provisions phasing in large increases in rates liability will continue, but only until 2009.

In order to assist clients in handling these increases Vickery Holman are in contact with their existing clients to ensure preventive action is taken. This will include ensuring the valuation proposed by the VOA, to be published in the autumn, is accurate and where appropriate, to undertake appeals in order to reduce liability. As in previous Lists, Vickery Holman is prepared

to act on the basis of purely performance related fees.

Ratepayers are reminded of the danger of 'cowboy' rating services and in respect of this the Royal Institution of Chartered Surveyors have introduced a new Code of Practice Terms of Engagement aimed at isolating the practices.

Anyone with any concerns regarding their liability for rates should contact Nick Holman 01752 261811, Mark Pellow 01392 203010 or Nicola Wakeham 01872 271033.

The Disability Discrimination Act. Does it apply to me?

If it wasn't such a serious issue you would think that this important piece of legislation was being treated as a pantomime.



Phil Allen

The final part of the Act which came in to effect on 1st October 2004 has been taken seriously by some (your competitors) and ignored by many. If you are a service provider the Act does apply.

So why has there been a lack luster take up? Yes it is true the wording in the Act includes "reasonable" but this simple word has been interpreted by some to mean "do nothing". Doing nothing is not an option. It is commercial suicide. In an aging population the spending power of the disabled, their friends, family and colleagues grow daily.

So what is a disability? Well don't just think of the wheelchair user (estimated to amount to only 10% of the disabled population), there are the other 90% to include the hearing and visually impaired, car accident, work and sports related injuries, old age, even an abled bodied person such as a carer or a mother or father with a child in a pram is being discriminated against. Very quickly you are saying no to a large percentage of the population and their business.

What should you do? First of all you need to assess your premises to establish what reasonable physical changes you need to make them accessible. Once you know what work you require, there is the matter of finding suitable contractors and ensuring they complete the work effectively and within budget. But you should then bear in mind that the cost of physical alterations is the responsibility of the service provider not the Landlord although many Landlords are appreciating that an accessible building is a more valuable building and may contribute to the cost of common parts.

Vickery Holman has an experienced team of qualified surveyors across the South West ready to take you through all of the stages from the initial access audit to preparing a detailed specification through to the completion of works. For further information contact Phil Allen on 01392 203010.

THE AFFORDABLE ISSUE



Anthony Eke

"The issue of affordable housing seems to be receiving more and more attention in the press through recent years, as it has become the main issue when negotiating residential planning consent and if handled in the wrong way can have a severe impact on land values".

Affordable Housing was first mentioned in Government documentation in Circular 6/98 and became policy through Planning Policy Guidance 3 in March 2000. In this legislation it was established as the way forward in order to achieve sustainable and mixed communities within an area. It also sets out the guideline for councils that any planning application for residential development incorporating more than 25 dwellings would need to give consideration to affordable housing. Some South West Planning Authorities have reduced this even further.

This policy was passed down to Regional Planning Guidance 10, which gave the local authorities the power to set different thresholds in urban areas, provided it could be justified through local circumstances and it remained viable.

Grant rates for affordable housing are set by each council and are applied to the Total Cost Indicator (TCI). This is the figure supplied by the Housing Corporation illustrating the average cost of building a specific type of housing, and is reviewed every year. Taking Plymouth City Council for example, the current policy is to use a

grant rate of 55%, and the developers will sell the property net of this amount. Applying this to a two bedroom house, with a TCI rate of £91,300, the sale price would be £41,085. Alternatively, provided the circumstances were appropriate, the developer could make a capital contribution of £50,215.

Anthony Eke from Vickery Holman comments, "It is clear from these figures that affordable housing could add up to a significant cost for a residential developer, in addition to other likely statutory costs such as education and health contributions, and infrastructure improvements. These contributions will have a large impact on the developers profit unless some of the cost can be reflected in the sale price of the land."

The current indications are that this matter could become more of a factor in the future, especially if more councils follow South Hams DC target of 60% of all housing on qualifying sites being affordable. If this proves not to be sustainable, as some developers are already querying, then there is the danger of sites not being developed as owners build up land banks or retain sites, as they hope to make better returns in the future should the requirements for affordable housing become more favourable. The effect of this could reduce the number of schemes being constructed, limiting the ability for councils to meet the current housing targets and not create sustainable communities, the main aim of this government policy.

For further information contact Anthony Eke on 01752 273834.

PLYMOUTH WATERFRONT ATTRACTS A CROWD

Waterfront property in Plymouth proves to be a valuable commodity.

On the instructions of KPMG, Joint Administrative Receiver of Seastructures Limited, Vickery Holman have completed the sale of Breakwater Works, Breakwater Road, Plymouth, to Yacht Havens Limited.

The property is situated between Laira Bridge and Oreston, has a gross site area of 1.16 hectare (2.86 acre), with a range of buildings totalling 774 sq (8,330 sq ft). The property includes a 215m frontage to the Cattewater.

Vickery Holman's Director, Mike Oldrieve, comments "interest in the property was outstanding which meant the Marketing Campaign was concluded within ten days, including an informal tender. Exchange of contracts was within five working days of accepting the offer".

Such was the strength of the interest, at the close of the informal tender Vickery



Holman received six unconditional bids, the highest being well in excess of the asking price of £1 million.

Mike Oldrieve comments "at first glance Plymouth would appear to have an extensive water frontage but once you take into account that owned by the MOD, the opportunities to acquire water frontage becomes limited".

RECENT APPOINTMENTS



LAURA STAPLETON
Senior Agency
Surveyor
Plymouth Office



ROGER SQUIRE
Senior Building
Surveyor
Exeter Office



STEFAN KLIMEK
Leisure Agent
Truro Office



LUCY OLIVER
Property Manager
Envoy Commercial
Property Management



KATE MILLS
Secretary
Plymouth Office



RHIAN SMITH
Secretary
Plymouth Office



NICOLA WAKEHAM
Senior Surveyor
Truro Office



LAURA TILLETT
Graduate
Plymouth Office



RICHARD RHODES
Graduate
Plymouth Office

RECENT INSTRUCTIONS

Location	Size (Sq m)	Description	TENURE	Price/Rent	Contact
OFFICE					
Envoy House, Marsh Mills, Plymouth	135-405	High quality speculative office development with on site car parking.	LH	On application	P
Endeavour House, Marsh Mills, Plymouth	159-330	Modern office accommodation with 14 on site car parking spaces.	LH	£40,000 pa	P
Sandon Court, Plymouth	668	Two storey masonry building with panoramic views over the City.	FH	OIRO £375,000	P
Truro Technology Park	712-798.9	High specification Office space overlooking Truro River	LH	Various	T
Argosy House, Plymouth	224	Second floor modern open plan office suite.	LH	£30,000 pa	P
Compton House, 1-14 Gibbon Lane, Plymouth	791	Centrally located office/warehouse/workshops with car parking/yard.	LH	On application	P
Gilberts Coombe, Portreath Road, Redruth	96.84	Self contained office building with individual offices & ancillary accommodation.	LH	£7,500 pa	T
14 Arwennack Street, Falmouth	52.7	Refurbished office suite in the heart of Falmouth 'old Town'.	LH	£6,000 pa	T
4 Hayle Terrace, Hayle	102.3	Prominent two storey retail / office.	LH	POA	T
Godwins House, Hampton Street, Plymouth	95 - 513	1st and 2nd floors.	LH	£54 per Sq M	P
Unit 6, Marsh Green Road, Exeter	-	Small office suites available. Recently refurbished. All inclusive rents.	LH	£2,000 pa	E
33/35 Southernhay East, Exeter	67	Second floor offices.	LH	£6,250 pa	E
Exeter Southernhay	95	Part third floor office accommodation.	LH	S/C INCLUSIVE £8725 pa	E
Newton Abbot	235	1st floor open plan office accommodation.	LH	£7,950 pax	E
Kerns House Threemilestone	13.84-44.50	Quality serviced accommodation on easy in easy out terms	LH	Various	T
INDUSTRIAL					
Water-Ma-Trout, Helston	396	Frontage to main estate road.	LH	£17,500 pa	T
Kernick Industrial Estate, Falmouth/Penryn area	1533	Detached property formerly used as a cash and carry. Site area 0.56 acres.	LH	On Application	T
Kernick Industrial Estate, Penryn	Various	Modern terraced units located on a well established and popular estate.	LH	On Application	T
Wheal Northy, St Austell	185 - 557	Terrace of new development of office/warehouse units.	LH	£70/sq m	T
Unit 32/33 Faraday Mill, Plymouth	221	Storage and office accommodation on a popular trading estate	LH	£15,000 pa	P
Unit 6 Gwel Avon, Saltash	60	Modern industrial unit available on flexible terms	LH	£3,900 pa	P
Heathlands Industrial Estate, Liskeard	45-274	Terraced single storey industrial units. Flexible terms available.	LH	On application	P
Unit 12 Newnham Industrial Estate, Plympton	233-883	Warehouse unit suitable for a wide range of uses.	LH	£45,000 pa for the whole	P
Bell Park, Newnham Industrial Estate, Plympton	157-905	Range of existing and new industrial units.	LH/FH	On application	P
Unit 11 Pomphlett Farm, Plymouth	99	Industrial/workshop unit	LH	£6,500 pa	P
1 Gilston Road, Saltash	Up to 4,654	Industrial premises and offices.	LH	On application	P
Hill Barton Business Park, Exeter	Up to 2520	Warehouse/production units.	LH	/	E
The Dairy, Heathpark, Honiton	1863	Industrial building.	LH	Under Offer	E
Brixham, Torbay	152	Double-fronted ground floor retail with office kitchenette and rear store.	LH	£10,000 p/a	E
RETAIL					
St Columb Major, Cornwall	283	Town centre retail space on ground floor plus ancillary storage and office space.	FH/LH	Under Offer	T
Piazza adjacent to Bodmin's retail district.	68 - 116	Various retail shops situated around a central piazza.	LH	POA.	T
52A Mutley Plain, Plymouth	70	Retail unit with large basement storage on busy parade	LH	£11,600 pa	P
16 Fore Street Liskeard	84	Prime retail unit with full height display	LH	£12,000 pa	P
25 King Street Truro		Prime retail building in central Truro	LH	£150,000 pa	T
DEVELOPMENT					
Kennards House, Tregadillet Road, Launceston	2.13 ha	Roadside development site with pp for 60 bed hotel & restaurant.	FH	OIEO £650,000	T
Polsoe Road, Exeter	650	Period offices suitable for redevelopment.	FH	OIEO £500,000	E
6 The Square, Chudleigh	98	Retail and residential unit with plot suitable for 5 new houses.	FH	OIEO £500,000	E
Located at South Downs on the A393 road to Lanner.	147	Good quality accommodation on the ground floor with significant roof voids.	FH	£185,000	T
INVESTMENT					
Beacon Crag Guest House, Porthleven		Family business, views over Porthleven harbour, 3 storey detached guesthouse.	LH	£5,000 pa plus £95,000	T
Property close to the A30 interchange at Pool.	72 - 902	Commercial investment opportunity - detached warehouse/industrial building.	FH	£350,000	T
2 Union Street, Plymouth	-	Multi let leisure investment.	FH	Offers in excess of £800,000	P
Queens Anne Terrace, North Hill, Plymouth	4 Storey	Currently producing £28,000 pa. Potential conversion to student accommodation subject to planning.	FH	£245,000	P
Ruanhighlanes, Roseland Peninsula, Cornwall	247	Shop, Workshop with MOT bay and parking for 10 cars.	FH	OIRO £300,000	T
Stable Hobba Industrial Estate, Newlyn	354	Property comprises a semi-detached food processing unit.	LH	£185,000	T
Land at Polbathic, Nr Torpoint	1.74 Ha	Industrial development site with potential for residential.	FH	On Application	P
Embankment, Kings Road, Plymouth	0.38 Ha	Potential residential development site	FH	OIEO £150,000	P

KEY: E = EXETER P = PLYMOUTH T = TRURO FH = FREEHOLD LH = LEASEHOLD PA = PER ANNUM OIRO = OFFERS IN REGION OF

COMPANY EVENTS

Life at Vickery Holman is always eventful and 2004 is certainly proving that with a full range of company and charity events.

The year started off nicely with the annual company weekend. This year the event was held at the Watergate Bay Hotel in Newquay with a variety of water based events laid on. Always ready to suffer for the cause, some of the more intrepid souls went surfing in the near freezing weather to prove that VH staff are consummate professionals.

After that start a plethora of charity events have been set up and attended including: the annual Vickery Holman Exeter Boules event (this year won by the Mayor), the Simpkins Edwards Charity quiz, The Michelmores Challenge Cup and 3 Mile Run as well as individual challenges such as a parachute jump and a half marathon.

If you have any challenges for the Vickery Holman staff, do let us know!



INCREASING PROFILE

As previously reported in this newsletter, our staff have always been keen to further their careers and improve personal skills by obtaining further qualifications or by becoming involved with our professional body, The Royal Institution of Chartered Surveyors (RICS).

Always keen to network (read socialise!), Chartered Surveyor Justin Armstrong has continued his involvement with RICS matrices (for those surveyors

under the age of 35) by taking on the role of Vice Chairman of the matrices International Committee. Justin also sits on RICS Governing Council and is a trustee of LionHeart, the Charity set up for RICS members and their dependants in need.

In recognition of the work that Justin does both within the RICS as well as in his sterling work in consolidating and growing Envoy Commercial Property Management, he has been appointed as a Director of the company. Having grown Envoy over the last couple of years it shows a natural progression following the expansion of the company.

