Newsletter

Autumn 2016

In this issue

Fresson & Tee
CHARTERED SURVEYORS

BUILDING EXPERTISE
SINCE 1929

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Business As Usual

In the aftermath of the Brexit vote, will it be 'business as usual', to quote PM Theresa May, for the UK's commercial property market, or should the industry be bracing itself for a slide?

Since Brexit, there has been an automatic assumption that the decision to leave would have a negative outcome for the property industry - that it would affect its demand, supply and of course value.

Following the initial 'leave' shock, many deals earmarked for that period suffered a re-negotiation, with, inevitably, one or two collapsing completely due to opportunism rather than fear. With no rule of thumb, vendors and landlords either accepted or rejected what was on the table, in equal measure, by all accounts.

But, as the saying goes, what goes around comes around, with Brexit quickly coming full circle.

"Most importantly, prospective overseas property investors see the UK as a buying opportunity."

Bar the initial shock wave, there is little sign of the predicted financial meltdown, largely thanks to the Bank of England lowering interest rates and boosting the economy with £60 billion of quantitive easing. Confidence in the UK seems to have returned.

At the time of going to press, the FTSE 100 is up, several house builders have recorded big increases in half year profits, retail is up, manufacturing is up, car sales are up and unemployment is at an all time low.

Tourism too, has received an exceptional boost, with London in particular enjoying a Brexit 'boom'. According to research by Tourism Alliance, there were 18% more foreign visitors and 11% more British tourists visiting the capital this summer.

London has also become the place to be for purchasing a high end Swiss watch due the devaluation of the pound.

Therefore life, on the surface at any rate, is carrying on as before, but in an unexpectedly optimistic fashion.

Most importantly, prospective overseas property investors see the UK as a buying opportunity. In fact, if the forecasts are accurate, and as post-Brexit anxiety continues to fade away, property prices will surely be continuing to help underpin the economy.

David Shapiro
Director
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Welcome To Britain

Could the UK see a long term benefit, post Brexit, from Apple's recent tax furore with the EU over £11.1 billion in unpaid taxes?

A 'sweetheart' deal with Ireland 25 years ago - which has seen Apple paying just £50 tax on every £1 million earned by the company - has been deemed illegal by the EC.

With PM Theresa May swiftly inviting Apple to shift its European operations to the UK, this would not only be a welcome boost to the British economy, but could also trigger other American companies, such as Starbucks, Amazon and Facebook, all currently under fire for tax issues, to follow suit.

Interesting too is that the EU has apparently decided to walk away from TTIP (the Transatlantic Trade and Investment Partnership), a major transatlantic trade treaty between the USA and Europe. This failed trade agreement will inadvertently afford the UK an opportunity to position itself as the link with America and Europe, opening a potentially exciting new trading position for the UK.

A Positive Parallel

Did you notice a parallel between the recent Olympics in Rio and world economies?

The USA, for example, had the strongest Olympians and also boasts the world's largest economy.

Britain meanwhile, has jumped up the league table of strongest economies just like the British Olympics team.

Both leaps in international standings are due to the UK's continuing investment and planning for the future.

Safe, Sound, Secure

Post Brexit, it has widely been publicised that investment in property has lost its appeal. Yet, for overseas property investors in particular, the UK is currently viewed as an unprecedented buying opportunity, a safe haven asset over the long term with an immediate discount to market value due to currency fluctuations.

Closer to home however, with bank interest rates now reduced to 0.25% for the lucky few and 0.01% for the less fortunate, commercial property remains a great way for purchasing an income stream whilst preserving capital.

Generally higher yielding, less management intensive and more favourably taxed, commercial property investments offer an alternative for domestic investors who no longer find buy to lets viable.

Fresson & Tee is advising investors on differing commercial properties around the UK with returns on capital ranging from 3% to 7%.

Contact David Shapiro or Jonny Novick should you wish to discuss investment opportunities on 020 7391 7100.

IMAGE BY VECTEEZY.COM

Work Begins

Fresson & Tee has secured planning permission to convert a small boutique hotel in Kings Cross, into an office building. Subject to revisions to the planning permission, the conversion works are expected to commence in early 2017 alongside a pre let marketing campaign. The accommodation will comprise high quality offices suites from 150 sq. ft. – 1,800 sq. ft. for the entire building.

Fresson & Tee are delighted to announce the promotion of Haakon Gittins and Steve Love to associate directors.

News In Brief

Fresson & Tee's ever expanding property management portfolio now includes a 27,000 sq. ft. mixed use building in Long Lane, London, SE1.

Londoners should be aware. The 2017 business rates revaluation is looming. We forecast that properties in the King's Cross and WC1 areas should expect business rates to increase by as much as 75%. This rise appears relatively minor by comparison to other areas of London where it has been suggested that business rates could increase by much higher amounts. Across the board, some form of transition or cushioning effect is likely to be introduced to soften the increases.

According to Nationwide, which recently confirmed a 5.6% rise in house prices, the number of residential properties on the market is at a 30 year low.

10 REASONS WHY YOU SHOULD CONTACT FRESSON & TEE:

1. Purchases and sales
2. Leasing
3. Property management
4. Design
5. Building conservation
6. Party walls
7. Project management
8. Rent reviews and lease renewals
9. Dilapidations
10. Ten decades in business, ten decades of experience

Featured Properties

Loft style warehouse to let

Unit 20 Waterside, 44 Wharf Road, London N1

1,441 sq. ft. £50,500 PA. A newly refurbished, trendy studio property located within an easy walk to Old Street.

Office for sale

1 Sandwich Street, London WC1

1,911 sq. ft. + car parking. £2,350,000. Period office building in good condition. Open plan floors, comfort cooling throughout. 5 minutes to either Russell Square or King's Cross.

Office to let

8 Southampton Place

738 sq. ft – 4,007 sq. ft. Period office building in good condition. To be leased as a whole or by the floor. 2 minutes' walk to Holborn tube and 5 minutes to Covent Garden.

Find more properties at www.fandt.com

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