

**FRESSON & TEE**  
CHARTERED SURVEYORS

10 DECADES IN BUSINESS

Fresson & Tee Newsletter  
**Autumn 2011**

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# King's Cross tops the location charts



So far, 2011 has been a hot year for commercial property, with King's Cross currently one of London's top locations. With demand high and a shortage of properties, Fresson & Tee is receiving an increasing number of enquiries on a daily basis. Companies no longer look at King's Cross as a secondary location by comparison to the West End or the City and are actively pursuing properties in the area as a first choice.

"Nevertheless, the traditional property criteria still apply," says David Shapiro. "It has to be the right location, the right specification and at the right price. If any of those factors are incorrect, then the building won't go. However, the key factor remains location, location, location," he underlines.

"If it's the right location and the right specification, then the price or rent is rarely a stumbling block, whereas if it is the wrong location, regardless of the specification or price, the building will be difficult to dispose, irrespective of how attractive it might be."

An example of a building in the right location is The Brassworks, York Way which is considered by many to be one of the finest buildings in King's Cross. Fresson & Tee recently disposed The Brassworks on behalf of internationally renowned architects, YRM. The Brassworks, comprising two former warehouse buildings which have been linked and extensively refurbished was put on the market in October 2010 with completion taking place in June 2011, although this could have taken place 3 months earlier.

"YRM wanted to dispose their lease of the building and we found ourselves in the fortunate position of having intense competition from tenants who were competing with each other, thanks to The Brassworks' central location and high specification," David explains.

Conversely, another office building – just half a mile along the same road, but half a mile in the wrong direction, has stayed vacant for several years, despite its rent being greatly reduced to reflect its location.

However, this particular building may soon be seeing a reversal of fortunes. The massive King's Cross development, now well under way and on the door step, will see the creation of a whole new town, with up to 2,000 new homes, 3.4m sq ft of offices and 500,000 sq. ft. of retail space. In fact the first tenant has just moved in. The University of The Arts London is now in the Granary Complex, bringing together 4,500 students from Central Saint Martin's College of Art and Design under one roof. King's Boulevard is open taking people from the stations up into Granary Square. Agreements are also in place with RAM to re-open the Great Northern Hotel at the end of 2012 and at

the end of 2014 BNP Paribas Real Estate will open a 340,000sq ft office at One Pancras Square. In the same year Camden Council will open their new headquarters and a major new leisure facility, library and access centre.

"Public open spaces are being constructed with pop-up shops appearing on the new streets" David continued. "And in the coming years, there will be further development of the millions of square feet of mixed use spaces and up to 2,000 homes. It's so big, it has even been given its own postcode, N1C.

The lonely office building will soon have gone from the middle of nowhere to the periphery of an exciting new neighbourhood and central London town," he points out.

Meanwhile, with demand continuing to exceed supply in the King's Cross area, Fresson & Tee admits that it and the area is almost out of building stock. Fresson & Tee is therefore inviting landlords to let F&T know as soon as possible if they have buildings coming so that they can be introduced to the market early, whilst demand remains strong.



The Brassworks

Contact David Shapiro on 020 7391 7100 or [david.shapiro@fandt.com](mailto:david.shapiro@fandt.com) if you wish to discuss putting a property onto the market.

Ten years ago, when clients of Fresson & Tee sold a building in Vallance Road in East London — anecdotally said to have connections with the Kray twins — they wanted to reinvest the money. Fresson & Tee helped the company to identify a small mews building in Shepherd's Bush, closeby to Westfield shopping centre, which

they purchased following the sale of Vallance Road.

Taking a holistic approach, Fresson & Tee bought and refurbished the property on their client's behalf, subsequently letting the building. "We also dealt with a rent review in between, and then about 9 months' ago, when the tenants served a break clause, Fresson & Tee dealt with the building's dilapidations, refurbished it again and it's now back on the market.

Throughout this life

cycle, F&T have maintained their client's investment return in the building, which has been around 10% over the period.



## Taking a holistic approach

# When adding could be a minus

With rent reviews and arbitration a successful, specialist part of Fresson & Tee's business, the company is currently involved in a dispute involving an 11 unit industrial estate in S.E. London. The estate, which was constructed by Fresson & Tee's client, was

leased to a local authority who in turn, sub-lets the units to its business tenants.

Explains David Shapiro "Over the years, the local authority's sub-tenants

have altered the units and have added to the floor areas. The works were mainly carried out without either the local authority's or the landlord's consent.

Should the landlord be compensated for the building works which were carried out without consent?" This is one of many issues upon which landlord and tenant cannot agree.

Legal precedents already state that works carried out by a tenant should not be rentalised. However, what is uncertain is how this affects works that have been carried out by sub-tenants. This is just one of several issues for the arbitrator to decide, and one which will probably require the input of legal advice.

This case has now been on-going for several years yet despite both sides putting forward their arguments, a stalemate has ensued. But now active steps are being taken to conclude it once and for all.

Despite the time taken to date, Fresson & Tee's stance is that where rent reviews are concerned, often the slower you move the better. Evidence and arguments evolve over time, and because generally, there is no time limit with these cases, you can generally construct a more positive outcome by being slow and methodical.

*"Should the landlord be compensated for the building works which were carried out without consent?"*

## Suite smell of success

Fresson & Tee has recently been involved with the comprehensive refurbishment of art deco office building, Derbyshire House in King's Cross, one block in from King's Cross station. "Our client, a successful, well-established hotelier, has owned the building for about 12 years and originally wanted to convert it into a luxury hotel. Having waited all this time to get it back from the previous tenants, he decided to keep it as an office building instead, refurbishing the building and providing 20,000 sq ft of space," comments Fresson & Tee's George

McCullough.

The refurbishment has been hugely successful, with well over half of the building let by Fresson & Tee before the completion of the refurbishment works. Two office suites now remain, a ground floor suite of 1,500 sq. ft. and the whole of the 2nd floor which is 3,500 sq. ft. "I wish we had more of these well located buildings to market as demand is currently so strong," comments George.

Full details of Derbyshire House can be found at [kingscrossproperties.co.uk](http://kingscrossproperties.co.uk)

## Building on 2011

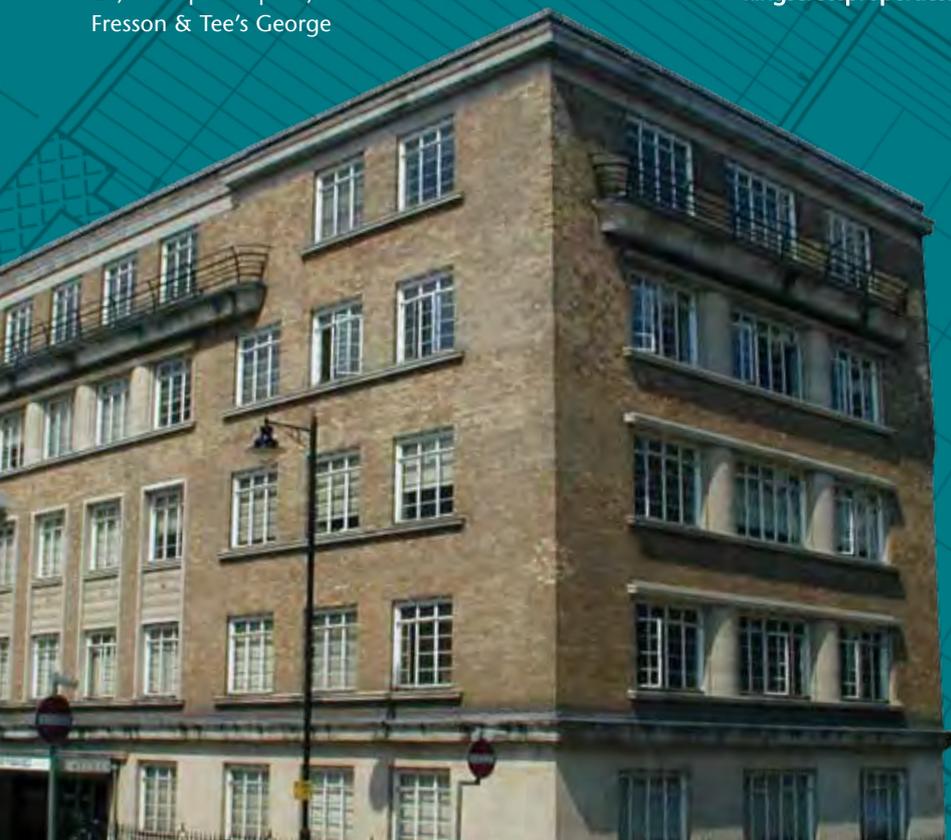
Aside from a quiet August 'holiday' period, Fresson & Tee has seen intense activity during 2011 to date, but could this be coming to an end as economist slash their growth forecasts for 2011 and 2012.

Turbulent world markets, plus the events in Europe and America earlier this year, has meant that business confidence may have been hit again.

As the property and construction industries tend to lag about six months behind the rest of the economy, at the time of going to press, it's anyone's guess as to how these sectors will be affected.

Up until August, the market saw strong growth, with rents and prices hardening and capital prices as high if not higher than they were in 2007, despite lending criteria being more difficult. So, arguably on those facts alone, it may not be all doom and gloom.

Despite possible tough times, Fresson & Tee is continuing to take a positive stance and is getting ready to strengthen its position by expanding its business in 2012 and try to take advantage of a perceived weaker market place.



# News in brief

Fresson & Tee is being given a makeover and a fresh contemporary logo is on its way. The new look will be unveiled later this year and will appear on all printed and electronic media, especially the new corporate website which is now also under production.

Fresson & Tee has just received instructions to sell a small commercial property a few minutes walk into King's Cross. The property could be used for either retail or business use and will have a freehold selling price in the region of £350,000, subject to contract. Full details can be found at [www.kingscrossproperties.co.uk](http://www.kingscrossproperties.co.uk)

As companies continue to look to be leaner and meaner, small owner occupiers and tenants of larger properties have asked Fresson & Tee to help seek out tenants for their surplus office space. Demand for small offices is growing as bigger companies downsize or new companies are launched. As a result of the limited availability of small offices, better than average rents are achieved. **Do you have a small suite that you might like to let?** Contact George McCullough or David Shapiro on 020 7391 7100 or via [agencyenquiry@fandt.com](mailto:agencyenquiry@fandt.com).

## Ten reasons why you should contact Fresson & Tee:

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

# Featured properties

## Office in 6-9 Cynthia Street London, N1

The 2nd floor of a former warehouse building that has since been converted to office use. The accommodation is recently refurbished and benefits from a new ceiling system with inset lighting, new carpets, painted walls and a fitted kitchen.

### Features

- 2,028 sq. ft. £23.50 per sq. ft.
- Recently refurbished
- Excellent natural light
- Attractive former warehouse



## OFFICE TO LET 1 POPLAR MEWS, W12

- 729 sq. ft. Private mews setting £17,750 PA
- Convenient location Recently refurbished
- Perimeter trunking Kitchen Carpeted throughout



## OFFICE TO LET DERBYSHIRE HOUSE, ST. CHAD'S STREET, WC1

- 1,500 sq. ft. - 5,012 sq. ft. £35.00 per sq. ft.
- Comfort cooling throughout Lift
- Communal roof terrace Great natural light



## OFFICE TO LET FANZ HOUSE, 99 GRAY'S INN ROAD, WC1

- 1,279 sq. ft. £18.50 per sq. ft.
- VRV air conditioning Perimeter trunking
- LG7 compliant lighting New WC's



## INDUSTRIAL TO LET 3 BRANDON ROAD, N7

- 5,087 sq. ft. £72,000 PA
- Refurbished Front yard and car parking
- 10 minutes to Central London



## OFFICE TO LET 311 GRAY'S INN ROAD, WC1

- 601 sq. ft. £19,000 PA Roof terrace
- Conveniently located Excellent natural light
- An all inclusive rent Flexible terms

Find many more properties like these at [kingscrossproperties.co.uk](http://kingscrossproperties.co.uk)

