



Newsletter

Spring 2015

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Fresson & Tee
CHARTERED SURVEYORS

BUILDING EXPERTISE
SINCE 1929



Sandwich House Unwrapped

After three-and-a-half years of ongoing work Fresson & Tee recently completed the external redecorations of a large Victorian residential mansion block in King's Cross.

The property, Sandwich House, wraps around Sandwich Street, Hastings Street and Thanet Street.

Meanwhile, making Fresson & Tee's own building in Sandwich Street 'tremble' is the demolition of the old 1950s halls of residence that is part of University College London (UCL), directly opposite the company's offices.

Farkid Mia comments "From our building we can now see the architecturally important Cartwright Gardens and also have far more interesting views when walking to the office from Euston. In fact, the view has not been seen by either side of Cartwright gardens for more than 50 years.

But best of all, we finally have sunlight all day which means that if we have another good summer, the air conditioning in our offices will be given a good workout!"

Rents Continue To Spiral

Rents in central London are continuing to rise, now typically hitting £55-£65 per sq ft in the King's Cross area this year compared to £40 per sq ft for the same time last year.

But this is a London wide phenomenon and at the beginning of March 2015, one of the highest rents ever offered for an office building was revealed. A property in St James's Square went on the market for £120 per sq ft, with the letting agent confidently predicting that he would probably dispose the office at closer to £150 per sq ft.

With commercial values now at such a high level, it is becoming increasingly marginal as to which way developers should focus their efforts.

As an example, two London property developers recently decided to convert what were previously two large residential developments back into commercial schemes. Is this now a demonstration that the market has peaked? It remains to be seen but it does feel like a very long time since commercial has been chosen over residential.

Fresson & Tee advised a client not to develop residentially last year for the same reason – after factoring in the costs of conversion, a residential development did not produce the highest return. In fact, Fresson & Tee's Architecture & Building Consultancy is shortly to commence a high quality office refurbishment of this particular warehouse style building, with it due to hit the market in early June 2015.

Frankenbuilding

Fresson & Tee has a very active programme of restoring, preserving and improving period buildings. One could state that we are therefore champions of historic buildings.

F&T's commercial property director, David Shapiro, however is cut from a different cloth and is an admirer of modern architecture and believes that there is a place for modern alongside old. But what happens when modern and old are the same building?

En route to a meeting in Shoreditch recently, David came face to face with a building that

took his breath away.....not one of the prettiest buildings he had ever seen....

Is there a completely new property term in the making, if this building were to be referred to as a Frankenbuilding!!?!where the coming together of the old and the new hasn't worked in a pleasing way?

David is now on a mission to track down other 'Frankenbuildings' and is inviting readers of this newsletter to e-mail their photos to him at david.shapiro@fandt.com

A prize awaits the sender of the best Frankenbuilding photo!

Energy Efficiency Rating	
	Potential
Very energy efficient - lower running costs	
(92 plus) A	
(81-91) B	
(69-80) C	
(55-68) D	65
(39-54) E	70
(21-38) F	
(1-20) G	
Not energy efficient - higher running costs	
England & Wales	EU Directive 2002/91/EC

Energy Act 2018

While buildings are currently regulated under the Energy Act 2011, a new Act is coming into force in 2018 to ensure that all properties are bound by the minimum energy performance rating of 'E'.

By 2018, if a building has an energy performance rating of either F or G, whether commercial or domestic, it will be illegal to rent it and possibly sell it too.

Naturally this is likely to have a huge impact on both landlords and tenants,

especially as The Act implies that a tenant will be able to insist that a landlord makes energy efficient changes.

The new act will obviously put a huge liability on building owners to make sure that their properties meet the standards required.

Complications are expected to arise at the end of commercial leases with dilapidations. How will landlords be able to prove a dilapidations loss for buildings that aren't able to be disposed because their energy performance is below the minimum standard? The answers to this and similar questions are unknown at this stage but the uncertainty of the implications are already being felt.

Although The Act is yet to be ratified by Parliament, it will be law in three years time. There are still a lot of landlords, building owners and owner/occupiers who are unaware of The Act and could benefit in the long term by seeking professional advice now from suitably qualified professionals before the new Energy Act becomes a problem.

Do you need advice or assistance in relation to The Energy Act 2018? Call on 020 7391 7100.

A Waiting Game

With a steady recovery borne out of an improving economy, rising house prices, lower inflation, lower unemployment, lower petrol prices and even lower food bills, there has definitely been a tangible air of confidence in recent months.

There's certainly a more optimistic outlook, both for businesses and consumers, with the feel good factor returning for many this year. But while people may be feeling richer than they were a year ago, they are also feeling a little nervous too, with the uncertainty of the forthcoming election.

On a global stage, there continues to remain much uncertainty about the Euro and the political situation in Russia. Both continue to impact upon property investments in the UK.

China meanwhile, is becoming a serious heavyweight in the UK property market, with investment in the UK predicted to be four to five times higher than it was last year - a jump from approximately £4bn to £20bn!

The property market is waiting to see whether the election will affect the inflow of overseas investment. Will the ever increasing numbers of empty homes being bought up by overseas purchasers for mainly investment rather than non-occupation continue to squeeze out indigenous investors and occupiers across the board?



Looking back over 2014, prices and rental values in Central London increased a mouth watering 25-40% in a single year, dependent upon location. Certainly this is true of King's Cross where Fresson & Tee focuses a lot of its transactional activities.

Nevertheless, the market seems to have cooled slightly since the start of 2015, although not necessarily in terms of people willing to pay, but the number of people prepared to pay. There appears fewer people in the market.

Nonetheless for those selling a building, there is still a huge amount of competition. But for those renting accommodation there seems to have been a pause, with people sitting on their hands waiting to see what will happen in the election next month.

For all of us, it remains a waiting game.

If you can't wait to know more about Fresson & Tee and the professional services that we offer, visit our website www.fandt.com or call on 020 7391 7100.



Completing In Covent Garden

Fresson & Tee is about to complete a residential redevelopment at the junction of St Martin's Lane & New Row, Covent Garden.

Fresson & Tee bought the former pub for a prolific property company two years ago.

The upper floors have been converted into two flats, with the ground floor and basement now a wine bar occupied by a fashionable new hostelry company.

Comings And Goings

To keep up with strong market and economy, at least five new members of staff will be joining Fresson & Tee over the coming months. Among them will be two apprentices for the Commercial Property and Property Management team, a practice manager, and for the Architectural and Building Consultancy, a building surveyor and an architectural technologist.

News In Brief

Fresson & Tee has disposed a newly created self contained office suite at 7th floor, Lincoln House, 300 High Holborn on behalf of the French tourist agency, Atout France. The 1,050 sq. ft. office was sub leased to a finance orientated media organisation at close to the £47.50 per sq. ft asking rent.

Fresson & Tee has recently acted for a number of landlord clients with rent reviews and lease renewals across various property sectors and locations. All have resulted in significant increases for their clients.

Fresson & Tee has sold the freehold interest in an interesting former mews building at Tankerton Works, 12 Argyle Walk, London WC1. The laterally arranged, 2,960 sq. ft. building was comprehensively reconstructed in 2004 to provide contemporary offices, predominantly arranged over ground and first floors. Being no more than a few minutes from the centre of King's Cross, this modern office building sold for a sum in excess of the £2,500,000 quoting price.

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



Office to let

The Mews, 1a Birkenhead Street, London WC1

1,679 sq. ft. £62.50 per sq. ft. Offered as unique, newly restored offices created from a former mews stables building in a private courtyard setting. Offered as 2 individual suites on ground and first floors that can be leased together or independently.



Shop to let

242 Kentish Town Road, London NW5

2,262 sq. ft. £75,000 PA. A well located retail property situated a few minutes from Kentish Town Road Station. With its accommodation located mainly over ground floor and a fully usable basement, this shop property is suitable for a variety of uses, subject to planning.



Office to let

Centa House, 61 Birkenhead Street, London WC1

2,400 sq. ft. £32.50 per sq. ft. 2 floors of economic offices are offered on short term leases directly from the landlord. The ground and second floors can be leased independently or together and benefit from timber laminate floors, comfort cooling and a convenient location.

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