



# Newsletter

Autumn 2013

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**Fresson & Tee**  
CHARTERED SURVEYORS

Building Expertise  
Since 1929

# Demand Exceeding Supply

While the seasons may have changed, with the balmy days of summer a hazy memory now, one aspect that has definitely remained the same is a huge, insatiable appetite for London properties, commercial or residential.

The weather may have cooled, but in London, the property market remains hot, back to a property market temperature of a decade ago. Whether purchasing or renting, multiple purchasers and tenants are now clamouring after the same buildings, increasing prices and rents along the way.

"Property and business confidence in London appears sky high at the moment, with demand exceeding supply," confirms David Shapiro, Fresson & Tee's director of commercial property. "In some respects, prices and rental values are probably higher now than in 2007, with rental and capital values higher in London compared to the rest of the country. Companies are moving offices and expanding, with only a very few re-locating to smaller offices or closing down, creating a disequilibrium in the market. Lack of stock and availability means more competition for fewer buildings, making it a sellers' and landlords' market."

David highlights two recent Fresson & Tee projects. The first is a leasehold disposal of a refurbished modern office premises which was placed under offer to a new tenant even before the previous had vacated. David was pleased to confirm that the property was disposed at a figure very close to its £40.00 per sq. ft. asking rent.

Meanwhile, at the freehold / long leasehold end of the market, F&T has been marketing a small business premises

*"Property confidence is sky high at the moment, with demand exceeding supply in most sectors of the market."*



1 inspection & under offer!

converted from an old Victorian warehouse near Old Street, which was valued at £300,000. The vendor was advised to test the market at £375,000, which admittedly was very bullish, realistically envisaging selling for somewhere between £320,000–£330,000. In fact, Fresson & Tee received three offers – the first at £320,000 and a second at £350,000. As heads of terms were being prepared to bidder number 2, a very late third bidder came in with a cash offer of £360,000 and the promise of an immediate exchange of contracts, which was carried out within 7 days.

More (cautiously) good news is that it's not just the property market that is seeing renewed confidence. With a 0.7% growth in the in the second quarter of the year, analysts are predicting a strong third quarter, with most sectors, in addition to the property market, seeing an improvement.

If you're interested in finding out more about commercial properties in London to buy or to rent, please call David Shapiro on 020 7391 7100 or e-mail [david.shapiro@fandt.com](mailto:david.shapiro@fandt.com)

## Time To Think??!!

- If you are a smaller company thinking about moving, it is important to be aware that the (mid town) central London property market appears to be almost fully occupied! If you are planning a move, it is therefore crucial not to leave it until the last minute as you may well end up disappointed as well as out of pocket.
- If you find a property that interests you, don't think that you have time to negotiate favourable terms because someone else will probably come along and gazump you, a term not used very much over the last few years!
- Due to a lack of properties, small office accommodation in central London is currently being let at near quoting rents and sometimes beyond the quoted rent. It's now very much a landlords' market. Rental values are robust and rent free periods are becoming more difficult to negotiate.



Sold for £360,000



## It's Good To 'Chat'

With today's huge emphasis on social media, Fresson & Tee has 'joined in the conversation' by going live on both Twitter and Facebook. "Social media has become a vitally important business tool for keeping in touch with clients and potential clients and we too are now enabled to post live feeds and property news as it breaks," says Fresson & Tee's David Shapiro. Currently, the company receives over 1,500 visits a month to its website [www.fandt.com](http://www.fandt.com).

You can visit us at

[Facebook.com/Fressonandtee](https://www.facebook.com/Fressonandtee)

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A recent change of use project

## More Housing, Less Office Space

The government's decision to bring in new planning laws, allowing building owners and developers to change the use of an office building to residential, has inevitably seen a strong reaction from local councils – including London's Camden, Islington and Westminster authorities.

"These councils are trying to see if they can get the government to change the law so that they don't lose control of their prime business/employment space to residential," explains Marcus Kinsella, a surveyor in Fresson & Tee's commercial property team. "For example, the new permitted development rights potentially removes councils' control for providing social housing. Instead it gives developers, under permitted development, the automatic right to convert from office use to residential use."

Although there haven't yet been many instances of 'change of use' under permitted development in central London – Fresson & Tee recently experienced the situation somewhat in reverse. "We are selling a building in an affected London borough which theoretically has an exemption from planning permission under the new permitted development rights – the property has been vacant for 5 years, is in a residential area and outside of a specified business district. The formal planning permission process was started before the changes to permitted development were introduced. Given the facts and the changes to the law, one would assume that the change of use to residential would be a rubber stamping exercise...but no, planning permission was refused with less than satisfactory reasons that had no regard to the newly introduced permitted development rights."

Fresson & Tee has been involved with a 2nd frustrating planning situation whilst working with a long established Montessori school client to acquire two newly reconstructed, premises which it plans

to integrate into a single new annex to its nearby existing school premises. The two units already have the requisite planning consent to be used as a nursery. Surprisingly, when the building was constructed, the developer failed to make proper provision for natural ventilation and neglected to install opening windows in the building.

"After taking some 12 months to negotiate a price, the purchaser was a week away from exchanging contracts, when it became apparent that we would need to apply for planning permission to install a mechanical ventilation system and opening windows," explained Marcus Kinsella at Fresson & Tee.

What should have been a simple delegated powers application for planning permission to make these alterations has now become a fully blown planning application as the local planning authority have challenged whether full planning permission is required to knock the two units into one and also, whether they will be suitable for use as a nursery because of the impact it could have on the roadway. This is despite it already having planning permission for this use. So in this instance, permitted development rights have not helped what should have been a simple planning situation.

As of August 6 2013, the Government commenced a 10 week consultation which will conclude on October 15 2013. The reason – whether to extend the permitted development rights to assist in change of use of existing buildings that are being used as small shops or providing professional services to residential use.

The proposed changes will also apply to agricultural buildings meaning that planning permission will not be required to convert agricultural premises into residential use.

This extension to the permitted development rights will have an interesting impact on more suburban and rural areas and the property industry is eagerly awaiting its outcome.

## Practising What We Preach

Looking to a smarter 2014, Fresson & Tee has given its own office building in King's Cross a facelift that includes internal and external redecoration and repair works.

While the work was taking place, it was naturally business as usual, with the premises fully occupied throughout the works programme. Work started on the ground floor and moved upwards, where staff enjoyed seeing new carpets being laid and the company's previous corporate green facade replaced by a smart new light and dark grey colour scheme.

"With construction and refurbishment among the largest parts of our business, it was good to test out our own systems and to confirm that works can take place whether staff are in or out of the building," underlined Fresson & Tee's building surveyor, Farkid Mia. "This is something we do on a daily basis for our clients and we thought it was about time to put our own building to task."



## News in brief

Fresson & Tee is marketing a 4th floor contemporary office suite at The Place, High Holborn. The small 570 sq. ft office is offered at £42,000 PA inclusive of rent, rates & service charge.

Snooze and you'll lose if moving to King's Cross. Fresson & Tee recently placed a 1,500 sq. ft office at Derbyshire House, St. Chad's Street under offer to a European property company before it was vacated by its previous tenant. Deal done at close to the £40.00 per sq. ft. asking rent!

Fresson & Tee is offering a small office suite with a garden at 26 Bloomsbury Street, a few minutes' walk from Covent Garden. Full details at [www.fandt.com](http://www.fandt.com).

## 10 REASONS WHY YOU SHOULD CONTACT FRESSON & TEE:

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## Featured properties



### Offices to let

#### 18 Tileyard Road, London N7

19,204 sq. ft. £328,000 PA. A former Victorian abattoir that has since been converted to a warehouse style office with the accommodation split equally over ground and first floors. Comfort cooling, car parking, warehouse type feel.



### Offices to let

#### 29 Museum Street, London WC1

350 sq. ft. £12,250 PA. 1st floor office suite in quaint location near the British Museum. Good natural light, excellent location, voluminous feel.



### Office to let

#### The Place, 175 High Holborn, London WC1

570 sq. ft. £42,000 PA inclusive of rent, business rates, service charge. Fantastic contemporary office on Covent Garden border with an outdoor swimming pool next door!



### Retail to let

#### 195-199 Gray's Inn Road, London WC1

1,077 sq. ft. £60,000 PA. A triple fronted retail property on a busy main road location. Can be used for a variety of uses, subject to planning, including retail, leisure or offices.

**Fresson & Tee**  
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