



FAIRWEATHERS

Chartered Surveyors & Commercial Property Consultants

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Summer Update 2007

Now that summer is upon us, what is happening in the commercial property market? Are there measures that your company should be taking to protect its property interests? Why not contact one of Fairweathers' commercial property experts. With extensive experience in this field, they are primed to advise businesses and investors alike on how best to protect their interests and maximise returns on property holdings.

The London Residential Property Market: Redevelopment of Listed Buildings

David Eadie MRICS



We have been involved recently in appraising a number of redevelopment projects in Central London. Many interesting and often listed buildings are being converted into character residential apartments.



With the demand for accommodation in London still rising, it would seem that this sort of project is a safe proposition. But is it? It only takes a few miscalculations to turn a profitable project into something completely non-viable and, with the multi-million pound nature of these transactions, it could be a rather costly mistake. With building costs set to soar due to a shortage of labour and escalating costs of steel and concrete, some developers will face the prospect of paying much more than they bargained for to complete their scheme.

Fairweathers provide our private and banking clients with valuable advice on these projects to enable them to make the right decision for their customers.

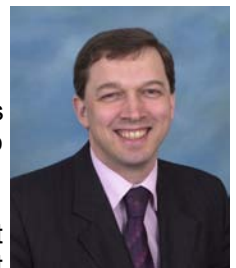
Business Rates Relief: All Change

One aspect of this year's budget that seems to have passed almost un-noticed is the proposed changes to Business Rates Relief. Following the recommendations in the Lyons Report into Local Government funding, the Government has decided to overhaul the system of reliefs available to Business Rates payers. At present, if commercial premises become empty, the ratepayer is entitled to a 3-month rate free period and then half rates are payable on retail and office property until let. Under the proposals, after 1 April 2008, full rates will be payable on retail and office property after 3 months and on industrial and warehouse property after 6 months. Evidently these changes will lead to a significant increase the cost of holding empty property, which tenants and property owners will need to take into account when managing their property interests. For further information or advice, please contact Peter Memmott.

Demand for Commercial Property on the Increase

Jeremy Toole MRICS

According to the latest RICS commercial survey, demand for commercial property has increased at the fastest pace for seven years. All sectors improved for the first time in two years, boosted by a strong economy and record profitability.



So what does this mean if you are a tenant? If the lease to your premises has only a short period to run, what are your options? If you wish to remain in occupation of your current premises, it could be worth considering surrendering your existing lease and taking a new one sooner rather than later – after all if the current trend continues, you could find that your landlord can demand a higher rental if you renew at expiry. Fairweathers' landlord and tenant experts can advise on the right strategy for your business and negotiate the best possible terms on your behalf.

Thames Valley Office
Kingfisher House
Headley Park 8
Reading RG5 4SG

Main Contact: Peter Memmott FRICS, Senior Director
Tel 0118 969 8999
pm@fwsurveyors.co.uk

London Office
33 St James's Square
London
SW1Y 4JS

Main Contact: Robert Baker FRICS
Tel 020 3008 6122
rb@fwsurveyors.co.uk