



FAIRWEATHERS

Chartered Surveyors & Commercial Property Consultants

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Autumn 2007

Changing Commercial Market By Peter Memmott FRICS Senior Director



Recent events with the US property market and the problems experienced by lenders such as Northern Rock have raised big questions about the property market.

The investment market has reacted to the interest rate rises, and secondary property investments have seen a ¼ to ½% outward movement in yields. Primary investments are still much sought-after and yields for these have not moved significantly.

As is the case when the investment market adjusts, it takes several months for the market to settle down. We are in a period of reassessment, in which the expectations of vendors and purchasers are tending to be some distance apart.

Fairweathers' expertise is currently much in demand. Our clients know that we take care to carry out additional research in order to illustrate what is occurring now, rather than relying on historic comparables which are no longer relevant. Professionals are appreciative of our clear and concise advice, which provides a sound basis for their property decisions.

In a changing market, expertise is everything, and the experience and professionalism of our team remains unsurpassed.

Overleaf—Jeremy Toole explains why you'll be having to get compulsory Energy Performance Certificates for your buildings within the next year....



A Thank You from Fairweathers Ann Memmott, Managing Director & Kate Jackson, Marketing & Communications

Fairweathers have achieved record results once again. The company's financial performance is now benchmarked as equivalent to the top four firms in the country. Our thanks to everyone whose loyalty and recommendations continue to help us provide excellent service throughout London and the South.



Residential Market Update By David Eadie MRICS Associate Director



The RICS Housing Market Survey for August 2007 matches with our own findings that residential property prices may well have reached their peak for the time being. Realistically priced property in the South East continues to sell relatively readily, with over-priced and unusual properties remaining available for longer. This is particularly notable with our high-value residential instructions in central London.

The recent introduction of the Home Information Pack for 3 and 4 bedroom homes has caused a last minute rush by vendors to avoid the production of a Pack. This has reduced the supply of affected properties available in the market in the ensuing period. This reduction in supply may assist in stabilising any reduction in prices.

The recent stock market jitters seem to be recovering, with another increase in interest rates looking less likely. This is potentially good news for the housing market, although we can expect to see a return to fairly strict borrowing requirements after recent events in the banking sector.



With our expertise across the Thames Valley and the south, Fairweathers are ideally placed to advise. If you require assistance with any aspect of the residential property market, please do not hesitate to contact us.

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COMPULSORY ENERGY PERFORMANCE CERTIFICATES FOR YOUR BUILDINGS?

EPBD, EPC, DEC – Yet more abbreviations!
By Jeremy Toole MRICS, Director



There may be a plethora of new abbreviations, but commercial property owners ignore them at their peril. Increasing concerns about global warming led the European Parliament to pass the Energy Performance of Buildings Directive (EPBD) in 2002. In response to that Directive the UK government has enacted The Energy Performance of Buildings Certificates and Inspection (England and Wales) Regulations 2007. The EPBD applies to commercial buildings in England and Wales (other parts of the United Kingdom have their own equivalent regulations). It requires property owners to obtain energy assessments of their buildings, with the intention that the information will encourage owners and tenants to select efficient buildings when acquiring new accommodation and to improve the energy efficiency of existing buildings they occupy.

The assessment takes the form of an Energy Performance Certificate (EPC) accompanied by an improvement recommendation report. An EPC may be prepared only by an accredited assessor and must be made available free of charge to a prospective purchaser or tenant. All EPCs will be held centrally (where is still to be determined) and will have a ten year lifespan once lodged.

Like so much recent legislation affecting buildings, the provisions of the EPBD are being phased. EPCs will be required upon the sale or rent of buildings other than dwellings; initially with effect from 6th April 2008 those with a floor area greater than 500m² (5,382 square feet), then from 1 October 2008 all commercial buildings. Exceptions to the regulations are limited to: places of worship; buildings with a planned use of less than 2 years; low energy demand buildings (e.g. agricultural buildings) and stand alone buildings of less than 50m² (538 square feet).

Enforcement is to be policed by local authority Trading Standards officers; failure to produce an EPC and report upon request can result in a fine equal to 12.5% of the rateable value of the building, subject to a minimum of £500 and a maximum of £5,000.

As yet, details for training schemes for accreditation of EPC inspectors have not been finalised. It remains to be seen whether there are enough inspectors accredited in time for the 6th April 2008 deadline. Another challenge for us all.

DEC is "Display Energy Certificates", which apply to buildings occupied or part occupied either by a public authority or an institution providing a public service to a large number of persons.

In conclusion, from next year, any owner of a commercial building, other than the few exceptions noted above, who is contemplating selling or letting all or part of their building must obtain an EPC and report. **For further information please contact me on 0118 969 6444**



If you wish to be removed from our mailing list, or wish to be sent newsletters on matters of interest to your sector, please contact Ann Memmott or Kate Jackson at the Thames Valley Head Office shown overleaf, through info@fwsurveyors.co.uk, or by fax to 0118 969 2295