

Autumn 2016 > A refreshing look at us, our world and yours

# akfocus



*CGI of The Anvil, Bristol*

in  
this  
issue:

- > Appointment to Welsh Government Estates Panel
- > Stellar office refurbishment for Three
- > Joint West of England Spatial Plan

+ more inside

**alder king**

PROPERTY CONSULTANTS

# Welcome...

... to the latest issue of AK Focus in which we share a selection of recent news from across the business.

As we approach the end of 2016, I'm delighted to report that Alder King has delivered another exceptional year of trading, led by our agency, professional, building services and planning teams. We are very proud of what we have helped our clients achieve.

Looking ahead to 2017 and beyond, we are ready to face the challenges and opportunities that a post-Brexit world will present. I sense that this is the case for many of our clients too.

The Government's decision to approve the construction of a new nuclear facility at Hinkley Point C has given a much-needed message that the UK, and the South West in particular, is open for business. We take a look in this issue at the impact this will have on the regional economy.

We have recently achieved further awards success, a great testament to the calibre of our teams and their work. We have also just participated in our first Workplace Wellbeing Week!

We hope you enjoy this issue of AK Focus and look forward to working with you over the coming months.



**Martyn Jones** | Senior partner

## Stellar refurbishment of Three's Star House



Our Building Consultancy team has successfully completed the interior refurbishment of Star House in Maidenhead, the 120,000 sq ft main office of mobile phone operator Three. The project was delivered within a challenging timescale of just six months.

The contract to re-imagine the four storey building as a centre for innovation and to support the introduction of new working practices required all works to be undertaken with minimal disruption to Three's 1,200-strong workforce.

Works were therefore completed on a floor by floor basis, with affected staff working flexibly from home, or in Three's nearby office in Reading. This created sufficient swing space for the redecoration of each floor together with new data and power systems, refurbishment of WC and shower facilities and the creation of new kitchen and staff areas.

Meeting rooms were refurbished and decorated with an innovation theme, reflecting Three's corporate ethos. Break out areas were created for collaborative working and new hot desking areas were established, greatly enhancing the efficiency of the floorspace.

Partner Paul Montague said: "The six month timescale for this complex project made this a challenging brief. We are delighted with the outcome which successfully minimised disruption to staff and has enabled Three to adopt more efficient and flexible working practices within a first class working environment."

**Paul Montague**



Contact: [pmontague@alderking.com](mailto:pmontague@alderking.com)

# Hinkley approval galvanises demand

The Government's decision to approve the construction of Hinkley Point C, EDF Energy's £18 billion nuclear power station in West Somerset, sent an important strategic message in this post-Brexit world that the UK, and the South West in particular, is open for business and new investment. It has galvanised investor and occupier demand for property in Somerset and along the M5 corridor.

There are around 3,000 Somerset companies on the EDF supply chain register. After holding back on new investment, many are now reviving their expansion plans.

Demand is focused on Bridgwater, the nearest large centre to the Hinkley Point site, but has rippled along the M5 corridor towards Bristol and Exeter.

Bridgwater-based Elecsis Switchgear is just one example of a firm looking to double the size of its manufacturing facilities and its workforce as a result of the Hinkley project. It wants to stay locally and is considering development off junction 23 or 24 of the M5.

Other new enquiries have come from national and international businesses including a scientific testing company, a serviced

office provider and an industrial services company looking for a large fabrication facility in Bristol/Avonmouth of around 5 acres, together with a smaller assembly facility closer to Hinkley Point.

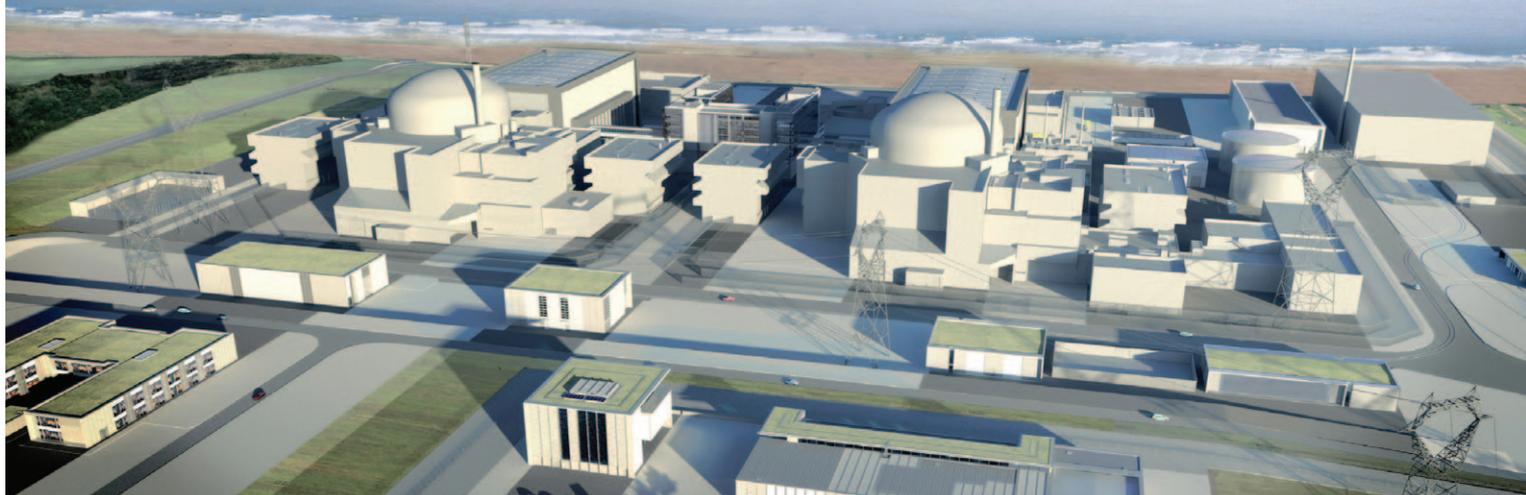
Woodlands Business Park in Bridgwater is one of the most visibly successful locations, with a second phase of the Somerset Energy Innovation Centre almost complete and a third phase in for planning.

But it is not just about the nuclear supply chain. There is improved confidence in both the retail and office markets, with many occupiers looking to dip their toe in the water at this early stage before the market picks up full momentum. We have also seen improved interest from the hotel/leisure sector with existing hotel operators and gym operators back on the hunt.

**Andrew Maynard**



Contact: [amaynard@alderking.com](mailto:amaynard@alderking.com)



## Double award winner

We were delighted to win two awards at South West Business Insider's Property Awards in October, picking up the Agency Team of the Year and Property Deal of the Year for the sale of the former Filton Airfield site.

The judges described our Agency team as 'professional and consistent', saying we stood out for the number of deals completed across a range of disciplines and projects which included landmark buildings such as One Redcliff Street in Bristol.

The sale of the former Filton Airfield was completed in December 2015. The 350 acre site is one of the largest brownfield regeneration sites in Britain and of huge strategic importance for South Gloucestershire and the South West as a whole. Partner John Benson, who led the Alder King team, is pictured left collecting the Property Deal of the Year award.

**John Benson**



Contact: [jbenson@alderking.com](mailto:jbenson@alderking.com)

# Planning team secures its first battery storage consents

Our Planning team, acting on behalf of Grid Battery Storage Ltd, has secured consent for two battery storage schemes which will be used to support power generation in the UK.

The first gives permission for a new facility housing 10MW of batteries on a 0.13 hectare site at Rownhams, near Southampton. The facility will comprise four storage containers and support infrastructure.



The second consent is highly significant, being on the Surrey Green Belt. This gives permission for a new facility housing 5MW of batteries in a barn in Dorking, Surrey.

These consents are amongst the first in the UK for battery storage facilities. Dale Evans, planning partner, commented: "By deploying our extensive experience in working for energy scheme developers, we hope these consents will be the first of many and will help meet nationwide demand for grid support infrastructure. We were delighted to see case officer support for this new technology which will contribute to a stable energy supply for the UK."

Alder King is retained to provide planning consultancy and site finding expertise by some of the leading developers of battery storage schemes in the UK. A significant pipeline of sites has already been secured and is progressing through the planning system.

Landlords with suitable sites can benefit from a 25 year income stream of up to £50,000 per year in return for making available a site of 0.25 acres for the construction of a battery storage facility.

**Dale Evans**

Contact: [devans@alderking.com](mailto:devans@alderking.com)



## Welsh Government Estates Panel Appointment

In September 2015, Alder King was appointed to the Welsh Government Framework Agreement for the supply of Estates Professional Services. Contracts with a low financial value can be awarded directly to panel members and for higher value contracts, mini-tenders are undertaken.

### Public sector organisations utilising the framework include:

- Welsh Government
- Vale of Glamorgan Council
- National Museum Wales
- Cardiff and Vale University Health Board
- Bridgend County Borough Council
- Natural Resources Wales
- Cardiff University
- Caerphilly County Borough Council
- University of South Wales
- Cardiff Council
- Gwent Police
- Merthyr Tydfil County Borough Council
- DVLA
- Monmouthshire County Council
- Court Services
- Housing Associations

Our Cardiff office has subsequently been appointed by the Welsh Government to undertake the annual asset valuation of the Economy, Science and Transport property portfolio. The contract is for a period of five years expiring March 2021.

There are 190 properties in the portfolio, with an aggregate value of circa £250 million, including 7,000 acres of development/agricultural land and 5.6 million sq ft of industrial and office buildings. The contract also includes appraisals on 50 joint venture projects located throughout Wales and ongoing valuation advice on the portfolio, including lettings, acquisitions and disposals.

For example, we are currently advising Welsh Government on the former DARA Superhangar in St Athan on a valuation and consultancy basis. The Superhangar was originally built by the MoD as a maintenance facility for up to 48 Tornado jets and totals 750,000 sq ft (69,677 sq m) on 100 acres (40 hectares). The building has been vacant since 2010 but is currently under offer to Aston Martin on a freehold vacant possession basis. The building is to be adapted for production of a new DBX SUV crossover vehicle.

**Lee Lapham**

Contact: [llapham@alderking.com](mailto:llapham@alderking.com)



# Government publishes long-awaited Draft Rating List

The Government's Draft Rating List, which was released by the Valuation Office Agency on 30 September, has given businesses their first opportunity to see their new rateable values which will determine their business rates liability from 1 April 2017.

The Draft List, which outlines the new draft rateable values for all commercial properties in England and Wales, shows significant variations in rateable values on different property types.

At first pass, it appears to be good news for retailers, many of whom have been paying artificially high business rates since 2015. Rateable values in The Galleries Shopping Centre in Bristol for instance have dropped by 35%. The prime retail pitches in Swindon, Truro, Taunton, Exeter and Bath also show significant falls in value. This should mean a substantial decrease in rates payable.

But with a sleight of hand, the Government has announced that rates bills for retailers with rateable



values over £100,000 will only be reduced by 4.1% from April 2017 and by 5.6% in April 2018 and for those over £20,000, the reductions will be 12.5% and 17.5%.

Businesses and their advisers can review the Draft Rating List via [www.gov.uk/government/organisations/valuation-office-agency](http://www.gov.uk/government/organisations/valuation-office-agency) and, if deemed appropriate, challenge their new rateable value from 1 April 2017. However the Government's proposed three-stage Check, Challenge and Appeal legislation will make the

appeals process more complex, expensive and unfair.

Having successfully appealed on the 2010 Rating List for many clients, our Business Rates team will be happy to advise on how to mitigate future business rates liability.

**Alan Morrish**



**Contact:** [amorrich@alderking.com](mailto:amorrich@alderking.com)

## Linkcity strikes the right note with The Anvil

Property development company Linkcity has secured outline planning consent for The Anvil, a new landmark office development in Bristol's Temple Quarter Enterprise Zone.

The building on Avon Street will provide 83,223 sq ft of grade A office accommodation over seven floors and give a major boost to Bristol's office market, following a strong level of take-up since the start of the year.

Linkcity hopes to begin building work in the first half of 2017, with a view to completion in the first half of 2019.

The Anvil incorporates a raft of community and sustainability features, a commanding entrance



set within a new pocket park, and landscaped roof terraces on the top two floors offering panoramic views of the city skyline. Alder King has been appointed joint agents.

**Simon Price**

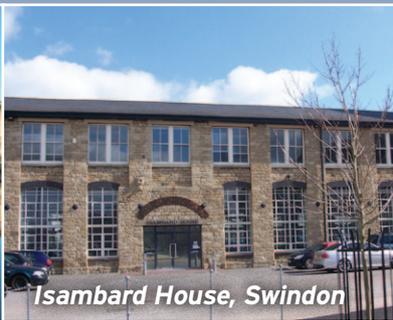


**Contact:** [sprice@alderking.com](mailto:sprice@alderking.com)

# Agency teams deliver region's largest transactions



Templeback, Bristol



Isambard House, Swindon



Emperor House, Exeter



Access 18, Gloucester

Our Agency teams have been involved in securing many of the region's most significant transactions of 2016.

## Exeter

### Client: Summerfield Developments

In October, our Exeter office completed on a 22,600 sq ft pre-let at Emperor House on Exeter Business Park to a prestigious local occupier. The transaction, Exeter's largest office letting of 2016, will kickstart the next phase of development in the city.

## Bristol

### Client: Orchard Street Investment Management

In July, our Bristol team secured one of Bristol's largest office lettings of 2016 with the 23,207 sq ft letting at 10 Templeback to OVO Energy Ltd.

## Swindon

### Private Clients

In October, we finalised the letting of Isambard House, a 17,000 sq ft former railway machine shop built by Isambard Kingdom Brunel and one of Swindon's most prestigious office buildings. The Pets at Home Vet Group is relocating over 200 staff to the building.

## Gloucester

### Client: Delta Properties

In July, our Gloucester office completed the sale of the former Interbrew Site on Eastern Avenue, Gloucester to Paloma Capital. The site, now known as Access 18, extends to 10.8 acres with some 150,000 sq ft of warehouse accommodation.



## Joint West of England Spatial Plan out for consultation

The four West of England authorities have published a draft Joint Spatial Plan for public consultation from 7 November until 19 December 2016.

The Plan seeks to accommodate the housing and economic growth forecasts for the period 2016-2036. This means providing locations for growth to accommodate up to 105,000 homes and 82,500 jobs. Many of these homes are already 'committed' via existing Development Plans so land for 39,000 new homes is required.

The Plan is being prepared alongside a Joint Transport Plan which identifies a £7.5bn package of infrastructure measures.

The Plan will make decisions for the direction of growth in the Bristol and Bath sub-region, and whilst some Green Belt sites will be released, Green Belt protection remains enshrined as the core policy objective. This raises the age old debate that retention of the Green Belt does not necessarily lead

to the most sustainable outcomes. There are however some interesting new locations to meet the need beyond the Green Belt such as a new settlement north east of Thornbury and over 5,000 homes in the A38 corridor between Weston-super-Mare and Bristol Airport.

This represents a critical stage of policy formulation and we encourage landowners and clients with interests in the area to make representations on the process. Whilst there is much to be encouraged by, there remain key concerns regarding the appropriate level of growth, the most sustainable locations, and how these link to the emerging economic and transport strategies.

### Simon Fitton



Contact: [sfitton@alderking.com](mailto:sfitton@alderking.com)

# Alder King takes part in Workplace Wellbeing Week

Following our sponsorship of Business Green Week earlier this year, we extended our involvement by taking part in our first Workplace Wellbeing Week in October.

Workplace Wellbeing Week aims to inspire people to achieve healthier lifestyles as part of a more sustainable city.

We ran a varied programme of activities across our offices, based around the five guiding principles of happiness and wellbeing - Connect, Be Active, Keep Learning, Take Notice and Give.

Events included a happiness workshop, bring & share lunch, yoga, lunchtime walks, boardroom table



tennis, a museum visit, desk detoxes and the launch of a book club.

By taking part in Workplace Wellbeing Week, we hope to develop an ongoing sustainable culture of wellbeing in the workplace.

**Chris Haworth**

Contact: [chaworth@alderking.com](mailto:chaworth@alderking.com)



# Counting down to MEES

Property owners now have less than 18 months to ensure their property portfolios are ready for the introduction of the Minimum Energy Efficiency Standards which come into effect from 1 April 2018.

The MEES regulations, introduced as part of the Energy Efficiency Regulations 2015, will make it unlawful to let a commercial property with an EPC rating of F or G, unless one of the exemptions outlined in the Regulations applies.

Since 2008 around 30,000 commercial buildings in the South West and South Wales with an EPC rating of F or G have been lodged with the Energy Performance of Buildings Registers, meaning they need updating to comply with the regulations.

## Exemptions

The regulations only apply to properties with an EPC. Landlords can exempt properties with an F or G rating from the regulations if they can demonstrate that:

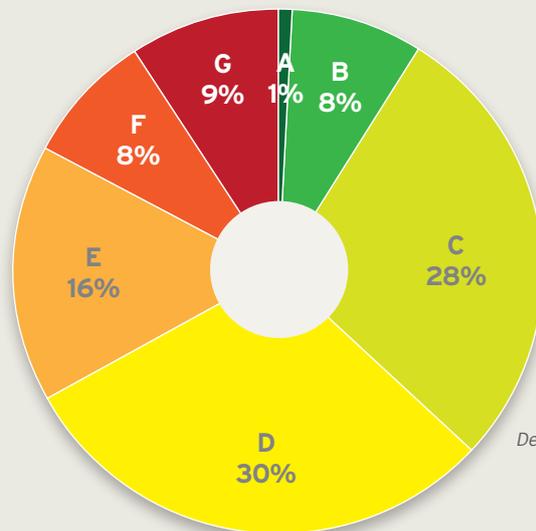
- Building improvements are not cost-effective, either within a seven year payback or under the Green Deal's Golden Rule
- They are unable to secure the consent of the occupier or lender to install the improvements
- Improvement measures will devalue a property by 5% or more, or that wall insulation will damage the property

## Leases

The prohibition from April 2018 on granting leases of sub-standard F or G rated properties has been extended to lease renewals. Landlords with leases expiring after April 2018 need to factor this into their advance planning for renewal negotiations.

There are further potential EPC related issues affecting lease renewal negotiations where business tenancy security of tenure

**Non-Domestic EPCs in SW England and South Wales**



Source: Department for Communities and Local Government

applies. S35 of the Landlord and Tenant Act 1954 Part II has long given tenants strong grounds for resisting the introduction of additional covenant obligations on renewal. With the regulations as they are, landlords will want to include obligations on the tenant's part to co-operate and provide information to help manage energy efficiency in accordance with the regulations. Landlords can expect this aspect of lease content to become more prominent in renewal negotiations with tenants.

**Adam Davies**

Contact: [adavies@alderking.com](mailto:adavies@alderking.com)



# Deals Digest

# Planning Permissions

## CROUDACE PROPERTIES

Freehold sale of a 2.4 acre site at Barnwood Point, Gloucester to the Pendragon Motor Group for a new Evans Halshaw car dealership.



## STANDARD LIFE INVESTMENTS

Freehold sale of two distribution warehouses totalling 87,341 sq ft at Interplex 16, Almondsbury for an undisclosed sum.



## PMH WESTERN LIMITED

Freehold disposal of Buildings 2 and 3 Marine View Office Park in Portishead. The 30,268 sq ft multi-let office property was sold to a private investor for £4.35m, reflecting a NIY of 8.14%.



## PETRUS GROUP

Letting of 1,890 sq ft retail/café unit at The Eye, an iconic residential tower in Bristol's Temple Quay, to Friska, the healthy fast food restaurant chain.



## UNIVERSITY OF BRISTOL

Outline planning consent for the residential development of a 12 acre site on Pudding Pie Lane in Langford, North Somerset. The development includes up to 141 dwellings.



## CROWN STUDENT LIVING

Full planning consent for a 576 bed student accommodation scheme at 8 Surrey Street, Portsmouth. At 23 stories in height, the flagship development will be a new landmark in Portsmouth city centre.



## FUSION STUDENTS

Resolution to approve two student accommodation developments including a 674 bed scheme in Cardiff's Capital Quarter and a 308 bed scheme in Hatfield.



## SEDGEMOOR DISTRICT & SOMERSET COUNTY COUNCIL

Hybrid permission granted to facilitate immediate delivery of a primary school (full) and a developer-led retail/leisure development (outline) with open space on an 11 acre town centre site at Northgate, near Bridgwater.



## New Faces

## Promotions

**SCOTT JONES**  
AGENCY | CARDIFF



**KARL SCHOLZ**  
ASSOCIATE | PLANNING



**PORTIA BANWELL**  
PLANNING | BRISTOL



For more information about current career opportunities please visit [www.alderking.com/about-us](http://www.alderking.com/about-us)

**BRISTOL**  
0117 317 1000

**SWINDON**  
01793 615477

**CARDIFF**  
029 2022 0000

**TAUNTON**  
01823 444879

**EXETER**  
01392 353080

**TRURO**  
01872 222174

**GLOUCESTER**  
01452 623290

[www.alderking.com](http://www.alderking.com)

Follow us on:



**alderking**

PROPERTY CONSULTANTS