

# akfocus

Spring 2017 > A refreshing look at us, our world and yours



CGI of 3 Glass Wharf, Bristol

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**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.

2017 has got off to a busy start. As well as winning several high profile new instructions across both our transactional and consultancy business, we were delighted to pick up our 16th Most Active Agent award from Estates Gazette and we recently celebrated a remarkable anniversary for Grant Watson who, in March, marked 60 years with the practice.

The 1st April saw the introduction of the 2017 Rating Revaluation, the most contentious on record according to our business rates team. They have been particularly active advising business owners and occupiers on how to mitigate their liabilities. The system clearly needs reform and self-assessment and more frequent revaluations appear to be the way forward.

We hope you enjoy reading some of our news in this issue of **AK Focus** and look forward to working with you over the coming months.



**Martyn Jones** | Senior partner

## One of Bristol's first build to rent schemes receives City Council support



**Our planning team, supported by a financial viability assessment from our development consultancy team has secured resolution to approve planning permission from Bristol City Council for the development of a 255 unit build to rent scheme on behalf of Legal & General Property Ltd.**

The development, known as ND7, is one of Bristol's first build to rent schemes to secure planning committee support and will help meet the city's urgent need for good quality city centre rental accommodation.

The scheme is located on a 0.88 acre brownfield site within the Temple Quay Enterprise Zone and is ideally located for private rental housing, being close to Temple Meads Station, Cabot Circus, the future Bristol Arena and several of the city's major employers.

It will comprise an 8 to 11 storey building, with 5,769 sq ft of ground floor commercial units and improved public realm areas.

Principal planner Nicola Sully commented: "We are delighted to be involved in helping deliver one of Bristol's first build to rent schemes.

"While discussions around height and the percentage of affordable housing were particular challenges, we were pleased with the level of support we received both from City Council Officers and Committee members. We very much look forward to working with L&G and the City Council to deliver the benefits that this type of housing will deliver to the people of Bristol."

**NICOLA SULLY**

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# Exemplary client service and commitment results in trio of promotions

Emma Smith and Tom Dugay from our award-winning agency team, and Catherine Norris from our planning team, have been promoted to associate.

Tom joined Alder King as a graduate in 2005, focusing on office agency. He has since been responsible for numerous transactions in Bristol, Bath and North East Somerset, including over 50 at the Paintworks scheme in Bristol since the first phase was developed in 2005.

Emma originally joined our Gloucester office in 2006 and, after a short spell elsewhere, returned to our Bristol office in 2012 to focus on industrial and logistics agency. Emma has since successfully supported a wide variety of development projects in Greater Bristol.



Associates left to right: Cat Norris, Tom Dugay and Emma Smith.

Cat joined our planning team in 2014 and has risen swiftly to become an associate in recognition of outstanding work, particularly in securing planning permission for a new base for the Great Western Air Ambulance Charity at Almondsbury as well as student accommodation schemes in Cardiff and Hatfield.

Senior partner Martyn Jones said: "Tom, Emma and Cat have all made a great contribution to the firm in recent years, demonstrating exemplary client service and commitment.

"Through their prolific deal-making, Tom and Emma have helped us retain our position as the South West's most active property agency, and Cat has worked on some of our most high profile planning projects. We offer them our congratulations."

MARTYN JONES

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# Lease re-gear secures South West Water's long-term future in Exeter

**Our Exeter Lease Advisory team has successfully restructured the leases on South West Water's headquarter buildings in Exeter, securing the company's long-term future in the city.**

Part of the Pennon Group, South West Water has 500 staff based in Exeter. It occupies a total of 97,981 sq ft in Peninsula and Fernworthy House on leases due to expire in 2029.

It has now re-gearred both leases, securing a significant rental incentive in exchange for an extended lease commitment of 30 years expiring in 2047. It also negotiated a 100 space extension to its car park to help meet current and future occupancy needs.

Noel Stevens, partner in our Exeter office, said: "We worked very closely with Pennon's facilities and finance teams to review the business's long term strategy and the NPV impact of this transaction. Re-gearing leases at both properties has had a positive impact on Pennon's property costs."

NOEL STEVENS

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# HMRC leads the public sector charge into Bristol



**The announcement in December 2016 that HM Revenue and Customs (HMRC) had formally signed an agreement to lease 107,000 sq ft at 3 Glass Wharf was the South West's stand-out deal of last year.**

The deal, part of HMRC's plan to create a network of 13 state-of-the-art Regional Centres, will see up to 1,400 civil servants from across the South West moving into the offices between 2019 and 2021, making the organisation one of Bristol's largest employers.

3 Glass Wharf is being developed by Salmon Harvester Properties/NFUM and funded by L&G. It will be ready for HMRC to commence fit-out in Q4 2018.

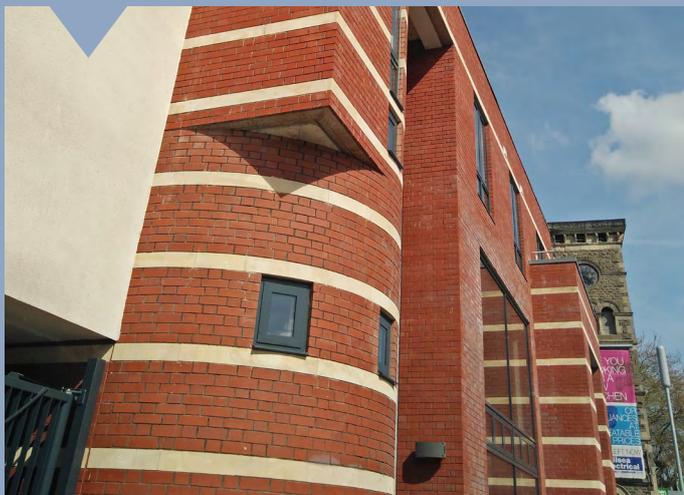
HMRC is not the only public sector organisation with its sights on the city. A number of other government requirements are expected to follow later this year.

SIMON PRICE

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# Alder King sees first phase of Bristol North Baths project to completion



**Acting on behalf of Bristol City Council, Alder King has successfully overseen the delivery of the long-awaited first phase of development at the former Bristol North Baths site in Bishopston, Bristol.**

The new build property comprises a public library on the ground and part first floors, together with 10 one and two bedroomed apartments on the upper floors. The library will open this Spring. The apartments were all sold prior to practical completion.

Following the failure of the original developer, the City Council took back control of the site late in 2015 and appointed Alder King to project manage the part-finished development through to completion.

Building surveying partner Simon Lewis assembled and led a multi-disciplinary technical team and Charles Russell-Smith was responsible for estate management and legal matters.

Simon said: "Faced with limited construction information and underlying shortcomings arising from the demise of the original developer, our initial due diligence investigations were key in establishing the scope of works required to deliver a successful project for all the stakeholders involved."

Cllr Helen Holland, Cabinet Member for Place at Bristol City Council, said: "We are delighted that the first phase of this challenging and delayed development has now been completed and would like to thank Alder King for the highly professional manner in which they have approached this appointment."

The second phase should see completion of the refurbishment of the former listed baths building once negotiations with occupiers have been concluded.

**SIMON LEWIS**

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## Commercial rent reviews make comeback

Following the 2008 market downturn, rent review activity fell to an all-time low, except in Greater London and other parts of the South East. In fact many commentators speculated that 2008 signified the end of open market rent reviews. However the buoyancy of the regional occupier markets over the past two years has fuelled a comeback in rent review activity in most sectors.

On the whole the upturn in activity is good news for landlords, but not every commercial investment property has become reversionary, and the advice of experienced practitioners is required to interpret lease provisions and transactional evidence, and advise on negotiating strategy.

The timing and tactics of rent review implementation are key to the outcome for both landlords and tenants, and early advice is recommended to avoid being caught out by changing market conditions or damaging rental evidence.

Our Lease Advisory team provides advice to both landlords and tenants across the UK in the business space and retail sectors.

**ANDREW WATSON**

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## Barnstorming performance delivers 16th consecutive win



A string of flagship deals across the South West helped us retain the title as the South West's Most Active Agent for the 16th year in succession.

Estates Gazette commented: "Bristol-headquartered Alder King has once again chalked up leads in offices, industrial and investment."

Partner Simon Price commented: "Despite the turbulent events of last year, we succeeded once again in delivering many of the region's largest and most significant transactions, something we're very proud of.

"Prospects for 2017 look very encouraging with more high profile transactions in the pipeline despite tightening supply in many locations. We look forward to building further on our market-leading position."

**SIMON PRICE**

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## Fulfilling requirements of Anti-Money Laundering legislation

The Fourth Anti-Money Laundering Directive comes into full effect on 26 June 2017, with the objective of tightening defences against money laundering and terrorist financing, as well as ensuring the integrity of the financial system.

We take our responsibilities and obligations to this legislation very seriously and are committed to undertaking full due diligence to ensure we comply.

As will be the case with clients' legal advisers, we will also request all necessary identification and evidence of source of funds from new clients and there is a requirement to extend this to existing clients on a periodic basis.

We are grateful to our clients for their cooperation in this important matter.

**SCOTT BOWIE**



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## Demand pours in for former fire station



Our Bristol agency team has been instructed by Avon Fire & Rescue Service to market the former Keynsham Fire Station. The property, which sits in the heart of the town centre, is being offered for sale via best bids or possibly to let.

Associate Emma Smith said: "This is an interesting town centre site which has generated a lot of demand from a wide variety of end users, the majority of whom are looking to re-use the existing fire station buildings."

The station closed in November 2015 as a result of its amalgamation with Brislington Fire Station into a new state of the art combined station at Hicks Gate.

Alder King sold the former Brislington Fire Station in 2016. The property also attracted significant interest and was eventually sold via best bids to a local family-run business.

**EMMA SMITH**



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## St John Ambulance: building a healthy portfolio



Former St John Ambulance Station in Wellington.

After successfully disposing of a number of properties for St John Ambulance in Cornwall, Alder King has since been appointed one of the charity's retained agents for disposals in the South West.

The first aid charity, which owns a portfolio of over 500 properties across the UK, is disposing of some of its older property assets to invest in new premises

capable of holding larger first aid and health and safety training courses.

Since 2015, Alder King has disposed of over a dozen surplus ambulance stations, training centres and other more unusual properties from Helston in Cornwall to Westbury in Wiltshire, including three in Bristol.

A number of properties had varied potential for alternative use, subject to planning, and generated sufficient competitive interest leading to sales by informal tender.

By liaising closely with our valuation team, we ensured each disposal met fully with the requirements of the Charities Act.

**TOM DUNCAN**



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## Energy efficient Brunel Park now fully occupied



Our Cardiff office has fully let or sold over 30,000 sq ft of prestigious high-tech accommodation at Brunel Park, a small scheme of three detached

buildings developed by Deryn Properties at Baglan Energy Park in South Wales.

The first 25,000 sq ft building was let last year for a new state of the art doctors' surgery and pharmacy. This has since been sold as an investment to Octopus Healthcare. A series of six lettings and a long leasehold sale in the other two units over the past six months has brought the scheme to full occupation.

New occupiers include The Ministry of Furniture, Plaid Cymru, Acorn Recruitment, British Red Cross, Allied Healthcare and S&C Electric Company.

Baglan Energy Park is a private and public sector initiative led by St Modwen, Neath Port Talbot Council and the Welsh Government to regenerate Baglan Bay. It lies within the new Port Talbot Enterprise Zone, enabling SMEs to benefit from substantial business rates incentives.

**OWEN YOUNG**



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# 2017 Rating Revaluation: the most contentious on record



Linc Cymru's Barrack Lane retail scheme in Cardiff city centre.

## The recent revaluation of business rates which took effect on 1 April this year has been the most contentious revaluation on record.

The particular bones of contention are the sizable increases in liability faced by some property owners and occupiers, particularly smaller independent businesses occupying high street retail properties, and the Government's proposed changes to the appeals process.

The new Check, Challenge, Appeal system wholly puts the onus on the business owner to provide all the evidence, only to run the risk that their appeal could be dismissed on the grounds of an allowable margin, even where an error can be clearly demonstrated.

Given that payments have to be made to submit appeals means this could be a bitter pill to swallow for many.

To many, the system is broken and needs urgent reform. Despite a high profile campaign leading up to the Budget urging reform, many businesses were left frustrated and disappointed at the measures announced by the Chancellor which only offered limited relief.

Simon Price, partner in our business rates team, said: "The appeal proposals appear to be an affront to natural justice and fly in the face of normal taxation practices. The reliefs announced by the Chancellor totalling £435 million, while welcome, are a drop in the ocean compared to the £25 billion a year that is raised through business rates.

"We hope the Government will address the future of business rates in the Autumn 2017 Budget. It appears as if it is moving towards self-assessment on business rates and more frequent revaluations every three years rather than every five.

This would be welcome, removing large variances in business rates obligations and giving businesses greater stability."

**SIMON PRICE**



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## Refurbished property rates: common sense prevails

Property owners who have paid empty rates on a property undergoing redevelopment or refurbishment over the past two years could now make a backdated claim for a refund following a landmark ruling by The Supreme Court.



The ruling rejected the Valuation Office Agency's claim that a property undergoing refurbishment is 'in repair' and therefore liable for empty rates.

Business rates partner Alan Morrish said: "The Valuation Office Agency was taking a hard-line stance on this issue, resulting in a flood of recent case law as owners undertaking refurbishments sought to mitigate their empty rates bills.

"The good news is that in almost every case which has been to Court, the ratepayer has been successful. The latest decision from the Supreme Court has opened the doors for property owners to make a claim for overpaid rates for properties which underwent refurbishment as far back as 1 April 2015."

**ALAN MORRISH**



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## Helping to keep it flying

Alder King staff have voted to support Great Western Air Ambulance as its 2017 charity of the year. A varied programme of fundraising activities has been planned for the year ahead across all our offices including a BAFTA-themed quiz, dress down days, pancake flipping, cake sales, a candy count challenge and a raffle to win an extra day's holiday.



Finding out more about GWAAC:  
Alder King staff visit the current base at Filton Airfield.

## New base secured for Police and Air Ambulance services

Unencumbered planning permission has been granted for a new Emergency Air Operations Base on land near the M4/M5 motorway in Bristol.

The development will deliver a new 999 helicopter response facility operated by the National Police Air Service (NPAS) and Great Western Air Ambulance Charity (GWAAC).

Both services provide dedicated air support for public safety and acute medical care needs across Bristol, Gloucestershire, Somerset and Wiltshire.

The planning application was advanced by BAE Systems which committed to securing the future of NPAS and GWAAC following the sale of Filton Airfield.

Following a long review of potential on-site relocation options, off-site

relocation was deemed the only way to safely maintain their current service delivery.

Our special projects team conducted a six month search for a flat and level site, close to the motorway network and the urban edge of Bristol to provide visibility for night time flights, before recommending the Almondsbury location.

Our planning team successfully secured planning permission in December 2016. Both services anticipate relocation to the new site in 2018.

CATHERINE NORRIS



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## Second Welsh Government Estates Panel Appointment

Following our recent appointment to provide valuation services to the Welsh Government's Economy, Science and Transport property portfolio, we have now been instructed to provide rating advice in respect of the empty properties in the portfolio. This prestigious contract is for a five year period expiring in 2022.

We have also been appointed to provide rating advice by The Magic Bean Company, a 12 unit Starbucks franchise operation based in Swansea but with outlets throughout South Wales and Swindon, and Linc Cymru, a Welsh housing association with a nine unit retail parade Barrack Lane, part of St David's Shopping Centre in Cardiff.

## Wiltshire's brand new business park



**35 acres of prime development land with outline planning consent are ready to be brought forward at Hawke Ridge Business Park in Wiltshire.**

Developer HPH has already secured detailed planning consent for two 35,000 sq ft buildings, one of which is capable of sub-division, enabling immediate construction to take place.

Two further detailed planning applications have been submitted and their determination is imminent. A drive-thru roadside phase to provide food and convenience store is due to be received shortly and a small unit scheme of 20 units ranging from 1,500 - 5,000 sq ft is proposed. Larger bespoke requirements for single buildings up to 250,000 sq ft can easily be accommodated, thus catering for a complete range of business/storage occupiers.

Hawke Ridge is located adjacent to the vibrant 160 acre West Wilts Trading Estate. The new Hawke Ridge Business Park access roundabout, entrance signage and mains services are already in place. Connectivity to the site is excellent with ultrafast broadband and an on-site primary sub-station will ensure availability of sizable power supplies. For further information, visit [www.hawke-ridge.com](http://www.hawke-ridge.com).

JAMES GREGORY

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# Deals Digest

## RABEAT LTD



Freehold acquisition of Friar House, Gloucester for £1.18 million and subsequent long leasehold disposal of the two upper floors for residential conversion.

## HPH COMMERCIAL PROPERTY



Letting of 3,800 sq ft office suite in the Grade II listed Churchward House, Swindon to Capita Secure Information Systems at a new rental high for the Churchward Estate of £17 per sq ft.

## BAE SYSTEMS



Two office lettings totalling 11,216 sq ft at Filton 20, North Bristol on behalf of BAE Systems.

## ASHVILLE



Freehold sale of a four acre greenfield site at Hampton Park West near Melksham to Dick Lovett Companies for a flagship Jaguar Land Rover dealership.

## AVIVA INVESTORS



Freehold investment disposal of Kings Business Park in St Philips, Bristol. The 59,673 sq ft multi-let industrial estate was sold to Standard Life for £5.27m reflecting a NIY of 6.3%.

## BRISTOL CITY COUNCIL



Sale of the former Cheltenham Road Library, North Bristol to MD New Homes for redevelopment into 36 apartments.

## WELSH ASSEMBLY GOVERNMENT



Letting of 9,074 sq ft high specification industrial unit B3 Olympus Court, Swansea to SDS Precision Engineering to facilitate its continued expansion.

## PANTHER PROPERTIES



Letting of 6,661 sq ft retail unit overlooking River Parrett in Bridgwater to Higos Insurance Services Ltd.

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