

WELCOME TO OUR E-NEWSLETTER COVERING THE COMMERCIAL PROPERTY SECTOR IN SURREY AND THE SOUTH-WEST M25 AREA. FOR ADVICE AND ANY INFORMATION RELATING TO THIS NEWSLETTER PLEASE CALL HURST WARNE ON 01372 360190 - REFERENCE NEWSLETTER

TOPICS

- MARKET ACTIVITY
- FEATURED PROPERTIES
- REITS
- DEVELOPMENT – WHAT THE MARKET WANTS
- RECENT HURST WARNE SUCCESSES
- LEGAL UPDATE
- CLIENT REQUIREMENTS

MARKET ACTIVITY

Since our last Autumn Newsletter, there has been one or two significant transactions in the South West M25 Sector, the most important probably being the agreement by Unilever to take a new 225,000 sq ft office development in Leatherhead with a target date of occupation in 2009. Unilever who are currently based at Walton Court in Walton-on-Thames have recently sold their existing premises totalling 135,000 sq ft in a sum in excess of £25 million to Green Properties, with a net initial yield of 7.4%, subject to a short term leaseback.

There has been further activity at the new Aviator Park scheme where Anglo Mondi Investments took 21,092 sq ft from Delancy Limited on a 10 year lease at a reported rental of £27 per sq ft.

In nearby Weybridge at The Heights office scheme in Brooklands Road, Select Service Partner Ltd took 10,883 sq ft from the landlords Prudential Assurance Company on a 10 year lease with a break at 5 at a rental of £27 per sq ft. At the same time Gearbulk took a 15 year lease with a break at year 10 on 37,644 sq ft at a rental of £27 per sq ft.

These lettings show the first sign of improving rental levels in the office market for a number of years and many commentators believe that this will be a continuing trend in the area.

FEATURED PROPERTIES

Once again we are pleased to announce that our featured property in the last E-Newsletter, Paragon House in Leatherhead has now been let at a record rent of £26 per sq ft, creating the highest rent achieved in the town for a number of years. The 7,881 sq ft Grade A office building was built in approximately 2000 and is within easy walking distance of the Town Centre and all facilities.

LEGAL

New Fire Safety Legislation

From 1st October 2006 new legislation replaced existing Fire Safety Legislation as Fire Certificates are no longer required and have no legal status.

The Fire Safety Order 2005 came into effect in October 2006. The Order abolishes Fire Certificates provided by the Fire Service and introduces a Risk Assessment approach to fire safety, where a "Responsible Person" for the premises must determine how to address the identified risk. The Order states that the "Responsible Person" must carry out a full and sufficient Risk Assessment and carry out other duties to include training, introducing policies, procedures, equipment and monitoring.

To subscribe to future editions or to un-subscribe to this quarterly e-newsletter please log on to our website: www.hurstwarne.co.uk over 1,500 hits per month alternatively call Hurst Warne on: 01372 360 190 or email: enquiries@hurstwarne.co.uk

BLENHEIM COURT • BROOK WAY • KINGSTON ROAD • LEATHERHEAD
• SURREY KT22 7NA



Nine self contained office buildings with car parking from 1,127 sq ft (114 sq m).
FOR SALE FREEHOLD

FOR FURTHER INFORMATION, PLEASE CONTACT HURST WARNE OR VISIT OUR WEBSITE www.hurstwarne.co.uk

Surrey and the S.W. M25 Rent Facts and Figures

Office	Industrial	Retail
Grade A Specification	Grade A Specification	Prime Pitch (Zone A)
Addlestone - £26.00	£ 8.50	£ 28
Epsom - £24.00	£ 9.00	£115
Esher - £24.00	£ 8.00	£ 50
Chertsey - £24.00	£ 9.00	£ 25
Guildford - £25.50	£10.00	£230
Leatherhead - £26.00	£10.50	£ 45
Redhill - £24.00	£ 9.00	£ 85
Reigate - £23.00	£ 9.00	£ 50
Walton - £23.00	£ 8.25	£ 55
Weybridge - £28.00	£ 10.00	£ 80
Woking - £22.50	£ 9.00	£115

All figures per sq ft per annum

HURST WARNE PROVIDES ADVICE FROM EXTREMELY EXPERIENCED PERSONNEL IN ACQUISITIONS, SALES, LETTINGS, LEASE RENEWALS, RENT REVIEWS, RATING, MANAGEMENT AND BUILDING SURVEYS OF COMMERCIAL PROPERTIES.

LEGAL (cont'd)

Revised Commercial Lease Code

New Codes of Practice in relation to break clauses, rent reviews, repairs, assignment and subletting are proposed by the Government, which covers many areas that have been traditionally in dispute between landlord and tenants.

Most important are the conditions relating to break clauses, where there are to be no conditions to be attached to the exercise of a break clause by a tenant. This has traditionally been an area that has caused a significant level of litigation.

In addition, the Government has been concerned about the upwards only rent review clauses being imposed on tenants, and the new code attempts to require landlords to offer tenants alternative basis of review and to give tenants reasons when it is unable to do so.

Disability Discrimination

In December 2006 further parts of the Disability Discrimination Act 2005 came into force. This requires the "controller of the premises" to make reasonable adjustments for disabled tenants and occupiers. Once again the controller of the premises will either be the landlord or someone who manages the premises. The new duty applies to both commercial and residential letting.

The aim of the legislation is to ensure that disabled persons are not put in a worse situation as a result of their disability when they seek to use and enjoy the premises they occupy or visit.

Distraint for Commercial Arrears

A proposed new procedure has been published which will abolish the old rules permitting landlords of commercial premises to distraint for arrears of rent. The new procedure would repeal all existing powers to distraint, which will allow goods to be seized if a notice of enforcement is served first and is to be called "Commercial Rent Arrears Recovery" (CRAR).

REITS

Real Estate Investment Trusts (REITS) became effective January 2007.

A REIT will be a company or group carrying on a property rental business that satisfy various conditions relating to the company itself, its activities and its overall balance of business.

The effect of the REIT regime will be that income and capital gains from the property rental business will be tax exempt, but all its other residual activities will be subject to Corporation Tax in the normal way.

The basic idea is that investors will be able to make an investment in a REIT, rather than in direct property, but that it will be taxed as if they own the property directly.

There is a requirement for a REIT to distribute 90% of its profits from its property rental business (but not its Capital Gains) to its investors.

Investors will be taxed on those dividends as if there were income from a property rental business, and in order to aid the taxation process the REIT will withhold 20% tax on dividend payments from its tax exempt activities, although it will be able to pay gross dividends to pension funds and companies.

There are many complex conditions that a company has to satisfy in order to convert to a REIT; however many of the UK's top property companies have already done so including Land Securities and Slough Estates

DEVELOPMENT – WHAT THE MARKET WANTS

There has been a dearth of new speculative office buildings in the South West M25 Sector for the past

AMH PROPERTY MANAGEMENT

Based in Fleet, Hampshire, AMH Property Management provides commercial and residential property management covering single properties and property portfolios. AMH is a jointly owned company – managing properties throughout London and the south-west. For further information please contact Nick Smith (nick@hurstwarne.co.uk).



UNITS A303, A304 & A305 BROOKLANDS • VICKERS DRIVE NORTH • WEYBRIDGE • SURREY KT13 0YU



Industrial / warehouse units From 11,042 – 34,203 sq ft (1,026 – 3,178 sq m).
TO LET

FOR FURTHER INFORMATION ON THIS PROPERTY PLEASE CONTACT HURST
WARNE OR VISIT OUR WEBSITE www.hurstwarne.co.uk

RECENT HURST WARNE SUCCESSES - See our website for other further successes

Hurst Warne have been particularly active throughout the final few months of 2006 and beginning of 2007:

- Gemini Court, Throwley Way, Sutton - 5,000 sq ft office building. Acquired freehold.
- Leatherhead High Street. Retail / office investment acquired.
- Brompton Road, Knightsbridge. Prime retail unit. Acquired leasehold.
- Yateley. 175,000 sq ft industrial land - Let.
- Barnsley, South Yorks. 2 acre site for car showroom and sale lease surrender and simultaneous reletting to national car retailer.
- Kingston Upon Thames. Prime retail unit acquired subject to planning for HSBC Bank plc.
- Paragon House, Leatherhead. High quality office building of 8,000 sq ft – Let.

Rent reviews, lease renewals and professional services in Basingstoke, Carlow, Chertsey, Chessington, Dorking, Esher, Godalming, Guildford, Leatherhead, Southampton, Thames Ditton, Tolworth, Weybridge & Woking.

few years and the time may now be right for developers to carry out new speculative institutional office schemes to satisfy demand. We have recently noticed a clear improvement in rental levels for Grade A office accommodation and this is a sure sign that the office market is improving.

We have however been extremely successful in acting for developers who have carried out a number of small office developments in the last 2 to 3 years and we currently have several developments coming out of the ground. For further information please visit our website www.hurstwarne.co.uk or contact Nick Smith.

There is also tremendous latent demand for small owner occupied light industrial/ warehouse units within the area.

Due to lack of suitable land for redevelopment opportunities this has resulted in demand severely outstripping supply. If any of our clients have any suitable land for industrial redevelopment then we would be more than happy to provide you with an appraisal and we think that you may be extremely surprised at the value that could be achieved. For further information, contact Maurice Johnson (maurice@hurstwarne.co.uk).

CLIENT REQUIREMENTS

National retailer – Sheffield & Tunbridge Wells - Prime retail units required

Offices – South-west M25 – 7,500 - 10,000 sq ft - Leasehold Grade A accommodation required

Laboratory – South-west M25 – 8,000 - 12,000 sq ft - Leasehold - Urgent requirement

PLEASE CALL OR VISIT OUR WEBSITE FOR A
SELECTION OF CURRENT LEASEHOLD/FREEHOLD
COMMERCIAL PROPERTIES FOR INVESTMENT



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