

OSSETT



**Former Tarmac Depot**  
 Wakefield Road, Flushdyke  
 Redevelopment Opportunity – For Sale

- Circa 0.80 hectares (1.94 acres)
- Easy access to J40 – M1
- Suitable for a variety of uses, subject to planning

Leeds 0113 242 5155  
 richard.hardy@carterjonas.co.uk

LEEDS



**York Road**  
 Redevelopment Opportunity – For Sale

- Circa 39,750 sq ft on 1.66 acres
- Highly prominent position on A64 York Road
- Available for a wide variety of uses, subject to planning

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DARLINGTON



**Link 66, Great Burdon**  
 – For Sale/To Let

- 38.20 hectares (94.38 acres)
- Industrial/Distribution up to 1,800,000 sq ft in a single building
- Offices from 10,000 to 100,000 sq ft
- Hotel and restaurant opportunities

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LEEDS



**Hub 62, Morley**  
 Development Opportunity  
 – For Sale/To Let

- Design and build development opportunity
- 22 acres
- 20,000 – 180,000 sq ft

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LEEDS



**Springwell 27**  
 Industrial Accommodation  
 – For Sale/To Let

- 3,115 – 25,000 sq ft
- High quality modern industrial units
- Excellent location – Junction 27, M62

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HARROGATE



**9 Regent Parade**  
 Office – For Sale/To Let

- 440.35 sq m (4,740 sq ft)
- High quality period offices
- Central location overlooking the Stray
- Potential for residential conversion

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HARROGATE



**30 Victoria Avenue**  
 Office – To Let/May Sell

- 152.4 – 737.6 sq m (1,640 – 7,940 sq ft)
- Town centre location
- Headquarters-style office
- On-site parking

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 paul.beckett@carterjonas.co.uk

YORK



**Buildmark House**  
 Offices – For Sale/To Let

- Prominent detached headquarters-style offices
- 6,720 sq ft
- May be split on a leasehold basis

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HARROGATE



**Westmoreland Street**  
 Former Car Showroom  
 – For Sale/To Let

- Prominent detached showroom
- Suitable for numerous commercial uses
- Town centre location

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 chris.hartnell@carterjonas.co.uk

YORK



**Kinloch Building**  
 Warehouse/Office – For Sale/To Let

- 2,402.39 sq m (25,860 sq ft)
- Close proximity to major road links
- Ample yardage
- Including 337 sq m offices

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## Contact:



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## Our office network



## a national practice with local knowledge

When it comes to occupying or investing in commercial property, it pays to have us on board. Whatever your requirements – from office space, industrial to technology parks or retail units – we have the specialist ready to maximise the value of your property investment.

We manage portfolios for large corporations, as well as smaller investments for private individuals.

Property Acquisitions • Rent Reviews and Lease Renewals • Rating Advice • Valuations • Compensation • Development • Planning Appraisals • Property Management • Survey • Agency

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**CARTER  
JONAS**

# Commercial View

CARTER  
JONAS

The Property People

Spring 2010  
Northern Region

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# Welcome

2009 was not an easy year for those in the property sector or private enterprise generally for that matter. Following the unprecedented falls in GDP in Q4 08 (-1.6%) and Q1 09 (-1.9%), we started the year in a full-blown recession. In hindsight, the nadir was probably the period March to May when confidence was at its lowest.



Chris Haworth

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Since that time, there has been an enormous weight of money faced with historically low interest rates, desperately seeking secure, income producing investments – if you can buy a 25 year lease to Sainsbury's with the potential for rental growth, it's better than keeping your money in the bank! The result has been that prime property, offering secure, long-term income, has seen yields tumbling to not far off the values paid in 2007. Those who bought in the early part of 2009 have seen spectacular increase in values but some pundits feel this sector might be over-bought.

On the occupational side, the last 4-5 months of the year saw occupiers, in Central London at least, beginning to realise that rents were not going to get any cheaper and that incentives were not going to get any more generous, and therefore, if they needed to make a property move or to secure a new lease, then now was a good time to do it.

2010 is likely to be the year of cuts in the public sector, to pay at least for some of the massive sums invested in 'quantitative easing' by the Government. However, the forthcoming election is likely to delay any substantive cuts until the Autumn, which may allow the fragile green shoots to take a stronger hold – but clearly any public sector cuts may have a significant effect on demand for space, public sector investment and consumer demand if there is a large increase in unemployment.

What is also clear is that the banks still hold a significant amount of debt in projects where the value of the assets is less than the debt. Historically, banks have waited to pull the plug until the value of assets start to rise. A significant number of banking arrangements will come up for renegotiation during 2010 and some of those negotiations will result in further property company failures – and therefore more development and investment opportunities coming to the market.

So my predictions for 2010 – a time of tears for some property companies, but a time of opportunity for those that are well-funded, still a time of opportunity for occupiers looking to secure cheap occupational costs over the next five years, particularly in the regions and a time for cautious optimism for the year ahead.

## 2010 Values – Up or Down?

**There has been a good deal of debate in the National Press and Property Journals as to where values of Commercial property will go during the course of 2010.**

Falling rents and Tenant's incentives on lettings clearly suggest that the recession is biting. However, improving yields on investments show some buoyancy in the Commercial property sector.

Setting aside the Investment sector however, there are a number of factors which surely point to a potential for a rise in the Capital Value of office and industrial property and an eventual rise in rentals.

Firstly, there have been few speculative office and industrial schemes which have started in the last 12 months, with the exception of one or two City Centre office schemes and it is unlikely that many

will commence in the next 12 months. Essentially, developers have taken stock of the state of the market and Banks have certainly not been queuing up to finance such projects. Let's also not forget that before this recession the speculative build market was also hit by the removal of void Rates relief!

It is difficult to see a return to speculative development for the foreseeable future; therefore we could therefore be looking at a period of four to five years before this source of supply returns.

Secondly, in order to obtain planning permission for development, particularly on larger schemes, it is becoming ever more costly and time consuming. Those developers that may have returned to the market after the last recession would have found negotiating planning permission on even a relatively large site fairly inexpensive and swift compared to the current regime.

# Business Rates and the 2010 Revaluation

The new 2010 Valuation List became operational from 1 April 2010 and represents another five year anniversary in the reassessment of circa 1.7 million Rating Assessments throughout England alone.

The revaluation exercise is undertaken on a quinquennial basis to ensure that all Commercial Rating Assessments are a true reflection of the level of hypothetical rental to have been charged as at 1 April 2008. It is based on a range of assumptions, to include the premises being in good tenable repair and let on appropriate market Lease terms.

The 2005 revaluation process identified that values throughout England and Wales had increased by around 20% between 2000 and 2005, and now circa 19% for the most recent five-year period of growth. There have again been large regional variations in the level of growth, coupled with a wide disparity of growth between certain property sectors. For instance, London City Centre offices have witnessed a doubling of assessments, whilst the UK Manufacturing sector is on average now showing levels of value that were similar to those experienced during the first quarter of 2003.

The Business Rates revenue generating mechanism is meant to be a neutral growth taxation structure, although whilst national five-year growth is documented on average at around 19%, central Government have decreased the Uniform Business Rate by only 15% with effect from 1 April 2010. The 4% disparity has in effect created a sinking fund to provide a cushion against successful Appeals where Rateable Values are expected to be reduced on Appeal during the life of the new 2010 Valuation List.

For the Yorkshire and Humberside region, rate payers have on average experienced decreases in Rateable Values by 1% and 9% for the Office and Industrial sector respectively, although with a 1% increase for retail premises. For rate payers who have witnessed no change in their Rateable Values between the 2005 and 2010 Valuation List, then they will be better off by circa 15%, but the full benefits of such a reductions in Rates liability charge will only be received once the limiting affects of transitional relief has run its course.

Rate payers within the Yorkshire and Humberside region may find that their Rates liability charge will actually reduce, but are they reducing enough? There is no guarantee that the basis of the charge is correct. The 2010 Rating Appeals programme will be an interesting one as the recession has created uncertainty on the level of rental which would have been deemed appropriate, as at the 1 April 2008 antecedent Valuation Date.

Carter Jonas has a national network of in-house Rating specialists who would be delighted to advise on whether an occupier's current 2010 Rating Assessment warrants an Appeal.



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Many developers bringing forward larger development projects, even on allocated Commercial development sites, appreciate that costs associated with a Planning Application could run into hundreds of thousands of pounds. The timescale for negotiating the planning approval after the numerous specialist reports have been commissioned and paid for is only the start of the process. Section 106 Agreements and compliance with the latest environmental build criteria represent 'add on costs' to the development.

In short, the development process, when it does come back to life, will be lengthy and costly, with sites capable of development being subject to a far greater delay before they come forward compared to after the last 1990s recession.

The outlook therefore for office and industrial values for existing buildings shows potential for improvement

if the Economy does eventually recover over the next two to three years simply because the supply of any significant new stock could well be four to six years before it is delivered. This has to be factored into any analysis of the Commercial property market.

Let's see what is brought about by any change in the economic outlook and any change in the planning system after the General Election!



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# News round up Northern region...

## Offices at Kendal Riverside, Cumbria



The Commercial team has been appointed to act as sole Agents in the letting of up to 25,000 sq ft of offices at Kendal Riverside, an exciting new mixed-use development overlooking the River Kent.

The scheme which is due for completion in the summer of 2010 includes, a major Retail development at ground floor level with self-contained offices at first floor accessed directly off a large open courtyard area surrounded by 90 Residential units.

Situated close to the Centre of Kendal, the premises enjoy excellent access to both the Lake District and the rest of the Cumbria region via the M6. Suites are available from 1,200 sq ft To Let.

## Sites in North Yorkshire

Carter Jonas Leeds Office has recently received instructions to market a one-acre site for commercial development at Boroughbridge on behalf of Commercial Estates Group, and instructions to market 0.85 acre and 2.5 acre sites at St James Business Park in Knaresborough near Harrogate on behalf of private clients.

Interest in both sites has been good, reflecting the pent up owner/occupier demand in the area.

John Webster commented: "In view of the lack of new sites likely to become available in the Harrogate District in the near future, there could well be a shortage of new build opportunities over the next two to three years."



## Skin experts take up commercial space in Wetherby



Over 16,000 sq ft of high quality warehouse and office premises in Wetherby has been let to Leeds Skin Care Ltd, moving out of University of Leeds accommodation at the Garstang Building.

The new premises, on the established Sandbeck Lane Industrial Estate adjacent to the A1(M), will provide Leeds Skin Care with over 12,000 sq ft of warehousing plus a two-storey office building.

The company, which provides research and laboratory services to the skin care sector, will move into its new premises in December 2009.

The Leeds office of Carter Jonas secured the six-year lease following extensive negotiations. Other businesses on the Sandbeck Lane site include Goldenfry Foods, Inspirepac and Arville Textiles.

John Webster, partner in the commercial department at Carter Jonas, said: "This letting represents a significant deal for the Wetherby market and demonstrates that despite the difficult economic climate over the last 18 months, the town has proved an attractive relocation option for firms seeking high quality accommodation with good access links."

## The Model Estate

Farms and farmland made the headlines in late February when renowned investment adviser Marc Faber, aka Dr Doom, urged investors globally to buy agricultural farmland over more conventional assets such as equities and bonds. This may have come as a surprise to some but the reality is agricultural land, as an asset class, has been growing in stature in the minds of professional investors as it has proved as a stable, inflation proof asset not dissimilar to gold.

For more information on our Model Estate report which analyses agricultural land against various asset classes including gold, fine wine, antiques as well as commercial and residential property please visit: [carterjonas.co.uk/modelestate](http://carterjonas.co.uk/modelestate)