

As part of their continued expansion Bowyer Bryce are delighted to announce the appointment of Peter Ley as an Associate.



Peter Ley - Joins Bowyer Bryce

Previously with Gilmartin Ley of Southgate, Peter has 25 years experience of dealing with commercial property throughout North London, South Herts and West Essex. He will work with Ian Harding and Trevor Clayden in expanding the firm's industrial and office agency services around London and the Home Counties particularly concentrating on the North London, North/East M25 and Lea Valley areas.

Peter sees the move to Bowyer Bryce as a tremendous opportunity to utilise and exploit the full extent of his abilities and experience within the commercial property market, particularly in the industrial and office sectors.

Ian Harding, Head of Agency at Bowyer Bryce, said "We are delighted to welcome Peter on board as he brings with him a wealth of North London/North M25 experience spanning some 25 years which will add strength, value and increased service to clients".

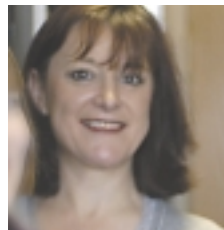
Peter is married with two children, lives in Winchmore Hill and outside the office is involved in athletics coaching and competition - in fact Peter finished in 5th place in the 2003 National Masters Decathlon Championships.

Peter's clearly fit and ready for business and can be contacted at the Enfield office on 020 8367 5511.

TALK OF THE OFFICE

We also welcome Adele Boanson who has been appointed as Agency Marketing Secretary.

In a very short space of time Adele has shown great tenacity with a strong understanding of all the elements of our agency operation where service is key.



Adele Boanson

MANUFACTURING COMFORT

Local major furniture manufacturer Parker Knoll moves to Mercury in deal orchestrated by Bowyer Bryce.

In the face of fierce overseas competition, local furniture manufacturer Parker Knoll with its parent company, Silent Night Group, recognised the urgent need to update the production line of their solidly designed sofas, sideboards and recliners and plans

were drawn up to move the company's manufacturing process to create a platform for efficiencies and savings.

Until a firm decision had been made there was a grave risk that Enfield would lose a long-standing and highly regarded manufacturer and employer.

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SEASON'S GREETINGS

Instead of sending Christmas cards this year Bowyer Bryce are making a donation to the Chicken Shed Theatre Company.

Chicken Shed is the UK's largest inclusive theatre company and welcomes over a thousand children and young people through the doors of its purpose built theatre complex on a weekly basis. In addition to the work at the theatre Chicken Shed also runs a national outreach programme establishing new inclusive community theatre companies for young people across the UK. Chicken Shed's work develops self confidence and self esteem in young people. For more information see www.chickenshed.org.uk

We therefore take this opportunity of wishing our clients, business associates and fellow professionals a very happy Christmas and a healthy and prosperous 2004.



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However, with the help of the London Borough of Enfield, North London Chamber of Commerce and the Department of Trade & Industry a deal was put together and their relocation is now well underway.



Unit 1 Mercury - Parker Knoll's new home

Parker Knoll's new home is at a brand-new scheme known as 'Mercury' in Bilton Way, Enfield which was developed by Easter Developments and funded by Scottish Widows. Bowyer Bryce, with FPD Savills, were letting agents for the scheme and were pleased to have played a part in orchestrating Parker Knoll's move into Unit 1 at Mercury, providing the opportunity for another substantial local employer, ATCOM, to simultaneously relocate into Unit 2.

As Enfield is an Assisted Area, Parker Knoll will receive a Regional Selective Assistance (RSA) Grant through the DTI which will help with the relocation. Manufacturing businesses are a target for RSA grants in order to protect and enhance employment opportunities in the

area. Various sites within the main industrial corridor of Enfield and the Lea Valley are eligible for grants and, more recently, are now also exempt from Stamp Duty. These factors make expansion or relocation into Enfield and the Lea Valley particularly attractive for manufacturing businesses.

As a result of Parker Knoll's move, some 3.3 acres of prime development land has been released which will be of interest to both occupiers and developers alike – furthering regeneration of the area.

Big is beautiful... ...but so is small

Over the last 5 years in particular, the industrial and warehouse sector in Enfield and the Lea Valley has seen tremendous take-up and demand continues to outstrip supply.

Many schemes which have been developed in the area in recent years have provided, in the main, buildings for larger scale distribution operations. Whilst this has been welcomed by businesses and public bodies alike there was concern that sustainable growth could not be maintained without a proper balance of smaller unit schemes coming to the market.

The London Development Agency, advised by Bowyer Bryce and King Sturge, has taken up this challenge by releasing some 9 acres of industrial development land in Jeffreys Road, Enfield where approximately 2 – 4 acres will be set aside for the development of small units which

will be available towards the latter part of 2004. Units of between 1,250 sq ft and 3,750 sq ft are to be provided on a freehold basis. This small unit scheme at the front of the estate is to be developed by Greater London Enterprise Limited and the marketing agents are Bowyer Bryce and Adams Cope Commercial. Approximately 5 acres of the remainder of the site at the rear will be taken by a major food distributor, creating a further 400 new jobs, which will leave 1.44 acres available.

One of Enfield's largest occupiers, pharmaceutical manufacturer Merck Sharp and Dohme, has acquired a 5.65 acre site off Meridian Way in Brimsdown for expansion and again the LDA were instrumental in securing the company's expansion within the Borough.

On the western side of the Borough developer Brixton Estates is shortly to embark on a speculative 96,000 sq ft extension of the Great Cambridge Industrial Estate in Lincoln Road, Enfield and a range of units from 2,500 sq ft to 40,000 sq ft will be available to let.

The London Borough of Enfield is disposing of a key strategic site in Glover Drive Edmonton, off Meridian Way, just south of the North Circular Road and adjacent to Tesco. Although not yet finalised, this may involve another scheme of small units but with trade counters which are likely to be marketed in the New Year with unit sizes ranging from 4,000 sq ft up to 12,000 sq ft or combinations thereof.

Demand continues to outstrip supply

ASBESTOS RISK ASSESSMENT

By Spring 2004, occupiers, or in some instances owners, of commercial buildings must have carried out a risk assessment in respect of asbestos that may exist within the building they occupy and if they don't then criminal penalties may be involved. An occupier has a duty to:-

- take reasonable steps to find asbestos and assess its condition;
- presume that materials do contain asbestos unless there is strong evidence to the contrary;
- prepare a record of the location and condition of the material;
- prepare and implement a plan to manage the risks;

- provide information on the location and condition of the materials.

There is not necessarily a requirement for asbestos to be removed but the potential risk and hazard must be identified and suitably managed.

The first step is an asbestos survey, where qualified and expert advice is essential as this may involve both identification and the testing of materials. Once that has been obtained management can prepare its risk assessment.

For further information contact Ian Harding on 020 8370 2535

STAMP DUTY – /

Since April 2003 the Chancellor has removed Stamp Duty from the freehold purchase or leasing of all commercial properties that lie within Defined Disadvantaged Areas.

The aim, along with a number of other measures, is to encourage investment and the generation of employment. The removal of Stamp Duty alone can represent a substantial

and it is widely expected that other developments will follow over the course of the next couple of years.

The second-hand letting and freehold sale markets are just as buoyant and lack of supply keeps the market moving forward and this is very much the case for the majority of the North London and North M25 sector. Although prices and rents have risen, this increase has been gradual over a period of time compared to other M25 locations which experienced sharp increases over a shorter timescale and are now feeling the pinch.

In other markets there is ongoing and keen interest for small freehold offices from both professional and private investors and owner-occupiers, particularly if they are central with good public transport links and have on site parking. Again, lack of new development at the smaller end of the market has prevented growth, which is surprising given the tremendous pent-up demand in North London.

To discuss market issues or opportunities contact Ian Harding or Peter Ley in confidence on 020 8367 5511.



Ian Harding

BUSINESS RATES UPDATE

CHANGES TO THE NON DOMESTIC RATING (ALTERATION OF LISTS AND APPEALS) REGULATIONS

These new regulations re open the 1995 rating lists in order to allow a Valuation Officer to reduce the rateable value shown in the list for a property if he came to the view, following an alteration of the rateable value shown in the list for the property on 1 April 2000, that the rateable value shown in the list for the property on 31 March 2000 was inaccurate.

The list alteration has a limited effective date of 31 March 2000, and there is no right of appeal against that list alteration. This is intended to correct the problem that it is not possible to certify the correct value as at 31 March 2000 unless a certificate of value as at 1 April 2000 has been issued.

Detailed guidance will be given shortly but Valuation Officers are not expected to back track over past settlements, but only to alter the 1995

list entry if there is clear evidence that the existing entry on 31 March 2000 is incorrect. The new provision can be expected to give rise to requests for list alterations by surveyors acting for ratepayers.

The practical effect of these changes is that if your assessment under the 2000 Valuation List is lower than the 1995 assessment then transitional phasing may have limited the benefit of that reduction. Although it is still not possible to appeal against an incorrect 1995 assessment and obtain a refund for earlier years, at least by having it corrected as at 31 March 2000, an occupier will gain more, if not all, of the advantage of the lower 2000 assessment.

Bowyer Bryce has already taken advantage of this change and in one case obtained a refund for a client of just over £15,000.

GOVERNMENT BACKS DOWN OVER RATE RELIEF

Following recent campaigning by the Royal Institution of Chartered Surveyors the Government has backed down on a change to the rating system that would have forced businesses to pay rate rises in one go.

After lobbying by the RICS the Government has agreed to amend the Local Government Bill to permit Transitional Relief to be self-financing over a 5-year period rather than each year as originally proposed.

The RICS is continuing to lobby the Government to replace the downward phasing system with something more equitable. Under the present system businesses whose rateable values are reduced are in effect

subsidising those whose liabilities have increased and thereby they lose out by not receiving the full benefit of a reduction in their rateable value.

If you have any concerns or queries regarding your business rates Steven Murray would be happy to discuss these with you.



Steven Murray

ARE YOU EXEMPT?

saving in a purchaser's acquisition costs.

If you are considering a disposal of a property it is important to take advantage of this exemption in the marketing should your property qualify.

To check whether your property lies within a qualifying area and is eligible for Stamp Duty exemption, please call Peter Ley or Ian Harding who would be pleased to provide further advice.

If it ain't broke ...

After 50 years of little change the Landlord and Tenant Act is to be overhauled in 2004.

Ray Arrowsmith reviews the main changes.

The primary legislation affecting the relationship of landlord and tenant was, with typical Civil Service understatement, the Landlord and Tenant Act 1954. This legislation has served the market well, essentially providing business tenants with security of tenure and therefore "value" in the leasehold properties they occupy. So why after 50 years of, in the main, satisfactory working is change required? Well, it is all to do with modernising and streamlining the Civil Justice system and reducing Court delays highlighted in The Woolf Report in 1996, although the first fundamental review of the legislation was carried out in 1992.

To quote the Regeneration Minister, Tony McNulty, "We do not plan to change the basic framework of the Landlord and Tenant Act 1954. But its workings do need an overhaul. Following extensive consultation, our proposals will modernise and streamline the procedures, for the benefit of tenants and landlords alike."

One may of course be cynical when any Government suggests that reforms will be of "benefit" but generally they have been well received by property and legal professionals although of course not yet tested in the day to day market place.

Whilst the draft legalisation and consultation papers deal with much minutia in the legislation there are in fact only two significant reforms:

Time limits

Under the present legislation there are, at least from a tenant's point of view, strict time limits to be observed when a landlord serves a Notice determining a lease at, or after, its expiry. The tenant must serve a "Counter-Notice" within 2 months, usually of the date the original Notice was posted, not received. The tenant must then make an application to the Court for a new tenancy between the second and fourth months after the Notice was served. The penalties for missing either of these dates are draconian – the tenant loses the right to a

new lease and will lose the property, or at best be severely disadvantaged in agreeing new terms.

The new legislation proposes that whilst a landlord's Notice is still required a tenant's Counter-Notice and the subsequent court application are not. The parties are free to negotiate and either party can make an application to the Court before the Notice expires, although that time can be extended by agreement. Indeed, this is a further change to the legislation as until now it has only been the tenant who could apply to the Court for a new lease and speed the process up.

If, at the expiry of the lease, a tenant intends to vacate the premises there will be no requirement upon them to notify their landlord in advance. They will not need to do anything.

Not knowing the tenant's intentions in good time could leave a landlord with some uncertainty and little opportunity to minimise void periods, and the consequential loss of income, as well as dealing with other matters such as dilapidations. The initiative does, however, still remain with the landlord who, at any time after service of the initial Notice, may make application to the Court to determine the terms of the new tenancy. The tenant must respond to those proceedings and at which point their intentions will become known.

Contracting out

The other major change, which has not yet actually been accepted by The House of Lords, is the process known as "contracting out". The Landlord and Tenant Act is one of the few pieces of legislation where the parties to an agreement, in this case a lease, can agree that part of the legislation will not apply, although that amendment only came into force in 1969. The main effect of contracting out is that the tenant has no security of tenure when the lease expires.

The lease can however only be contracted out with the consent of the Court. The principle is that the Court



Ray Arrowsmith

needs to be satisfied that the tenant understands what he is signing and is not being disadvantaged. Whilst therefore an application to the Court is required, involving Court costs and legal fees, the reality is that the Court effectively "rubber stamps" these agreements. Some research has been carried out recently which suggests that in some 97% of cases the Court approves the transaction. What therefore, the Government asks, is the point of the exercise?

It is proposed therefore that the necessity for a Court Order be removed although the potential tenant will need to be given a "Health Warning" 14 days prior to the lease taking effect or, if after this date, then make a Statutory Declaration acknowledging his loss of rights. The House of Lords is still a little cautious on this proposal as they see contracting out as being landlord driven, and therefore one sided.

There are other reforms proposed within the draft legislation and as always landlords and tenants should take advice well before the lease is due to expire.

These proposed reforms to the Landlord and Tenant Act are intended to dovetail into the Government's promotion of a more flexible property market and the Code of Commercial Lease Practice .. but that's another story!

**BOWYER
BRYCE**

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The content of this newsletter is intended to be of general interest and readers are advised not to rely upon it without seeking professional advice relating to their particular circumstances.