

For unrivalled knowledge of commercial property in East Anglia

PROPERTY FOCUS

East Anglia



2017

Prime waterfront site sold



TEN YEARS OF SUCCESS

Ten years ago Penn Commercial opened its doors, with great optimism, in the midst of worldwide recession. It is now reckoned to be the largest commercial property agents in Ipswich.

And in February we held a celebratory breakfast at Milsoms Hotel, just outside of Ipswich, with 30 specially invited guests.

In 2016 alone, we sold or let more than 400,000 sq ft of property and 32 acres of land, with a value of more than £14 million.

We're proud to have won national and local awards, recently winning second most active agent in Suffolk in the EGI Awards. We have an

impressive client list and have transacted hundreds of deals across all sectors.

Recently we've let (and are now providing property management, consultancy and promotional advice for) former agricultural farm buildings designated for commercial use. In this coming year, we'll be marketing and consulting on two major agricultural sites, again designated for commercial development, adjacent to the A14.

Industrial, warehousing, office, retail, leisure, hospitality and investment are all part of the day to day business.

It's not all in Suffolk: large deals have been transacted in Basildon, Norwich, Harwich and Enfield.

Team Penn: Vanessa Penn, Paul Keen, Sita Thompson, Robin Cousins, Tracy Vale, Mike Simpson FRICS.

Vanessa Penn said: "It's been a rollercoaster decade, but we've never been in a stronger position than now to help landlords and potential tenants, investors and developers achieve their own goals."

Included in this issue:

- Ten Years of High Profile Deals
- Property Management
- Property Taxation for 2017 and Beyond
- Demand for Commercial Property Grows

New faces

We're delighted to welcome two new faces to the team at Penn Commercial, here in Ipswich. That brings our team up to six, with consultants providing back-up.

First to join us was Sita Thompson, whose role is as property and marketing administrator.

Originally from Luton, Sita has a degree in Business from Nottingham Trent University.

Next up was Robin Cousins. Robin, 27, has joined the Penn Commercial team, undertaking the role of Trainee Negotiator. Robin comes from a local farming family and maintains close ties with the business.



Sita Thompson & Robin Cousins

10 Years of High Profile Deals

2008 Peter Colby Commercials
acquire Hadleigh Road industrial estate, working alongside Network Rail on Bacon Chord development

2009 Gippeswyk Hall
Let to Red Rose Chain theatre group

2010 Sports Centre Bentwaters at Rendlesham
Sold & 8.2 acres at Stanton Europark, Harwich let

2011 Electric House, Ipswich
Acquired for development

2012 200,000 sq ft Warehouse Dooley Road, Felixstowe
Let on behalf of Verbrugge

2013 Ravenswood, Ipswich
Plots sold for restaurants & 57,000 sq ft let to Yodel in Basildon & surrender of 100,000 sq ft at former Gardner Denver site (now Landmark Business Park)

2014 Former 10 acre Hanson Site in Sroughton Road, Ipswich
Acquired by Brisko Metals & Three Rivers Business Park, Ipswich, acquired for clients

2015 4.3 acres in Enfield
Let to DHL

2016 £2.75 million Investment Portfolio
Sold on behalf of Cripps Commercial

2017 Instructed to market Cornhill Walk
Retail development in Bury St Edmunds

New mixed use scheme for Grafton Way



Planning permission has been submitted by Plutus Estates for the Bankside project, a mixed use regeneration scheme on the long-term derelict site opposite Cardinal Park in the middle of Ipswich.

Penn Commercial have been appointed as sole agents on the commercial/retail component of development, which will benefit from public gardens and a riverside walk, linking the waterfront to the railway station.

Penn manages property with a watchful eye

Paul Keen, who heads our property management service, says: "To some agents property management is little more than rent reviews! That's most definitely not our way."

"For example... when the roof tiles came off a client's building they were replaced within 48 hours, thanks to our robust relationships with local tradespeople. I've been called out at 6am to deal with jammed security gates and much more..."

"But property management isn't all about emergencies. We monitor buildings through regular inspections, recommend and oversee repairs and redecoration."

This watchful approach delivers many benefits: buildings are safe and secure, easier to let and it keeps existing tenants happy.

Property investor, Susan Wiggins, said: "My late husband was impressed with the efficient, no-nonsense, way Penn Commercial went about things."

"Everyone sings off the same song sheet with a 'how can we help you?' approach. Going the extra mile is not an issue."

Commercial agency testimonial

We were delighted to receive the following comments from Keith Marsland who manages Claydon Business Park*, just outside of Ipswich.

"Vanessa and her small but close knit team at Penn Commercial have been associated with Claydon Business Park since its inception and have provided invaluable assistance to us in the very successful development and promotion of the Business Park.

"Their continued involvement and professional expertise have been first rate. They have guided the marketing of our premises and helped us to find new tenants, to the extent that the Business Park has proved so popular it is now over 95 percent let.

"It's no surprise to us that such skill and ability has received much wider acclaim."

*The Park has a total of 73 lettable units totalling approx. 392,750 sq ft net floor area (office/warehouse/workspace) and with approx 251,710 sq ft yardage and secure compounds, including approx two acres of prime development land.

Property taxation for 2017 and beyond



David King FCCA ATII, director of chartered certified accountants and chartered tax advisers, Guymer King Ltd, discusses how best to approach your property tax liabilities.

Chancellor Philip Hammond did not change any tax around property in the 2017 Budget but there are a number of things to be aware of as we approach 2017/18.

Property investment is, by its very nature, a medium to long-term decision. It can be a very rewarding area if undertaken carefully and with a good understanding of the various rules. Investment is completely different from property development which is always subject to income or corporation tax.

Buy-to-let investment has already been targeted by the previous Chancellor and 2017/18 marks the start of four transitional years that will see tax relief on mortgage interest reduced to basic rate only.

This is likely to hit landlords who are heavily leveraged and may see the tax charge on their investment take care of all of their actual cash profits. Investors who have bought outright will not be affected and there may be opportunities for joint owners (who are husband and wife or civil partners) to adjust their holdings.

For new investors in residential property there is an additional three percent of Stamp Duty to find if it is not your main home. Don't overlook this aspect of

the costs of ownership. Also, there is now no special "wear & tear" allowance if the property is furnished.

Tax relief can only be obtained when an item is replaced, but not for its initial purchase. Plan replacement timing carefully to maximise any cash-flow advantage. Consider replacement before 6 April 2018 to reduce tax now rather than next tax year.

Furnished holiday let property is treated in a similar way to a business. Interest relief is still fully available although it is not possible to offset any losses against other, general, income. To qualify the property must be available for letting for 210 days in a tax year, actually let out for 105 days and not let on a long-term (over 31 days) basis for more than 155 days.

As it is a quasi-business it is possible to claim tax relief for items such as furniture and fittings and integral features in the building itself. Perhaps, most importantly, any Capital Gains on final disposal is likely to qualify for "Entrepreneur's Relief" and be charged at only 10 percent.

"Property investment is, by its very nature, a medium to long-term decision. It can be a very rewarding area if undertaken carefully and with a good understanding of the various rules."

If you rent out part of your residential home, perhaps to a lodger or for B&B then don't overlook "Rent-a-Room Relief" which potentially allows you to have a turnover of £7,500 completely tax free. Be aware if you rent out your entire home as this won't qualify (for example if you rent it out for Wimbledon week and go away yourself).

Commercial property is also a very good area to look at for renting out. Neither the restriction on tax relief on interest nor the additional stamp duty apply and, interestingly, this is also the case if the property is "mixed" – perhaps shops on the ground floor and a flat above.

This area has much potential and Penn Commercial can assist in finding properties to consider.

Demand for commercial property grows

Commercial property remains in very short supply, says Vanessa Penn.

"We've seen a huge increase in the number of enquiries for all types of property recently. Many applicants' needs cannot currently be met and much of that is because so little has been built recently," she said.

"While there are a number of development sites locally that will provide starter units for industrial, offices, warehousing and distribution purposes, there's a shortage of land for high bay warehousing and units from around 1,000 to over 250,000 sq ft, to accommodate internet fulfillment companies.

"But that's only part of the story. High grade office accommodation, especially over one or two floors and up to 10,000 sq ft, is much in demand.

"While demand for retail isn't there in quantity, cafes, coffee bars and restaurant space are always needed, and there's a lot of interest generally in the leisure sector for gyms and hotels. Another big requirement is for roadside cafes and shops, especially alongside major routes.

"Land is much in demand too and what comes onto the market is snapped up very quickly.

"In these days of low interest rates, commercial property is often viewed as a very sound investment, which further fuels demand," she added.

It is possible to hold investment properties in a company and this can be the right solution in certain cases – however, it is important to take professional advice before considering this.

Another important thing to be aware of for the near future is HM Revenue & Customs' "Making Tax Digital" programme which will see many taxpayers needing to make quarterly returns from April 2019 (put back a year by the Budget).

The final plans are not yet published but are likely to change the practicalities of tax compliance completely!

As with any financial decisions it is vital to take the proper advice before acting and also to engage the help of suitable professionals to help you make the most of your ideas.

Transactions

SOLD:



Priory House, Ipswich

An attractive and modern building, offering five floors of accommodation in the heart of Ipswich's commercial district, has been sold to Concertus, the design company arm of Suffolk County Council, for £2.1million.

No 2 Friars Bridge Road, known as Priory House, was previously the Ipswich headquarters of Legal & General and extends over 22,602 sq ft.

Vanessa Penn said: "It's predominantly open plan, fitted to a very high specification with raised floors, suspended ceilings, recessed lighting, central heating and comfort cooling. It's the kind of office space that is in great demand locally: good quality, well maintained and in a prime location. It went on the market only a few months ago, and there was immediate interest."

LET:



New HQ for Fischer Energy in Lowestoft

Fischer Energy, a major player in the gas and electricity industry, has leased Kirkley House and nearby warehousing in Lowestoft as its new HQ.

Kirkley House is a modern two storey brick built office building with good car parking and in a prominent situation close to the town centre. It provides Fischer Energy with 4,276 sq ft ranged over two floors.

The family-owned company is also renting an industrial/warehouse unit, also on Kirkley Business Park, extending over 31,433 sq ft on a 5.5 acre site. This is a high bay warehouse with ample car parking and easy access for large vehicles.

NEW INSTRUCTION:



Cornhill Walk, Bury St Edmunds

Penn Commercial has been instructed as joint agents on behalf of Cavendish and Gloucester Properties in the marketing of the shopping mall off Bury St Edmunds' Buttermarket which is to undergo a major refurbishment and redevelopment for commercial and residential units.

Units are available from 4,000 sq ft to a total of 16,000 sq ft to let on new lease terms. Penn Commercial are joint agents with GCW.

£10 FOR EVERY DEAL TO BENEFIT SUFFOLK WILDLIFE

As a successful local business, we believe it's right we should put something back into the community.

We've decided from 2017 to support a local charity, one that is intent on preserving Suffolk countryside and the valuable habitats of our native animal and plant species. So we'll be donating £10 directly to the Suffolk Wildlife Trust with every deal we complete.



PENN SPONSORS LADIES' SQUASH

We were delighted to support Ipswich Sports Club when it hosted the Professional Squash Association's ladies' international tour recently with sponsorship.

Congratulations to Julianne Courtice, winner of the Christchurch Vets Ipswich Open Championship, who beat her opponent, Hana Moataz, 3-1.



PENN AFFILIATES

We recommend using our business affiliate partners who offer a variety of property services to our clients...

Gotelee Solicitors
Trebuchet Creative

Ipswich Sports Club
Scrutton Bland

Heronbuild
Pound Gates

Eric Dines Carpets
Office IS Interiors

PENN COMMERCIAL SERVICES: Property Appraisal - Commercial, Mixed Use and Residential • Property Management and Rent Collection Schedule of Dilapidations • Property Auction • Valuation for Bank and Private Purposes • EPCs

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