



Tim Powell-Harper joins
Kinney Green to take charge
of the Professional Department



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Providing professional,
commercial property
advice to occupiers and
owners across Central London.

Autumn 2015
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“I was delighted with the service and advice that Kinney Green provided Icelandair. I have no hesitation in recommending them to any company seeking new premises or considering lease renewal.”

Maria Hudson, Icelandair

New Head of Professional

We are pleased to announce that Tim Powell-Harper has joined Kinney Green to take charge of the Professional Department following Nick Eden's recent retirement.

Tim has spent the last 20 years at a niche West End practice where, as a Partner, he was involved with a broad range of professional matters involving a wide variety of property types, i.e. offices, D1 educational, retail, restaurants, residential, industrial and river works licences. He advises on all aspects of property issues including valuation, rent reviews and lease renewals, rating, compulsory purchase and compensation, together with general valuation, management and consultancy.

Tim has joined us to spread this knowledge across his team and will continue to give a close personal service, akin to the Kinney Green approach, and would be happy to assist or discuss any professional property issues with you. ■

Based in the City, though covering a far wider area, please contact Tim on 020 7643 1516 or email t.powellharper@kinneygreen.com

Tim Powell-Harper
MRICS



Ringing the changes at 9-12 Bell Yard

On behalf of Aberdeen Asset Management PLC, Kinney Green has recently sold the investment of 9-12 Bell Yard London WC2.

Overlooking the Royal Courts of Justice and close to the Inns of Court, the building is occupied by 9-12 Bell Yard Chambers. The accommodation is in good order and comprises a self-contained office building over lower ground and four upper floors, totalling 6,837 sq ft with average floor plates of approximately 1,200 sq ft.

Let until 2017 and with a rent review in September 2015, the low passing rent of £34.74 per sq ft and the possibility of potential development in the future made this an attractive investment proposition.

After a short round of bidding, and an even shorter legal process (six working days) the property was sold to a high net worth individual for £6.225 million, approximately £910 per sq ft capital value, reflecting a net initial yield of 4% after purchasers costs. ■

For further information on this please contact Neil Warwick on 0207 6430 1531

Do you measure up?

A replacement of the Code of Measuring Practice 6th Edition is set to come into force on 1st January 2016.

The code will be replaced by "Professional statement: office measurement, being Part 1 of RICS property measurement 1st edition May 2015" to bring a global standard for the measurement of offices, followed later for retail, residential, industrial property and land.

IPMS (International Property Measurement Standards) will replace Gross External Area (GEA), Gross Internal Area (GIA) and Net Internal Area (NIA) becoming IPMS 1, IPMS 2 and IPMS 3 respectively. The differences include:

GEA/IPMS 1: Comparable, however balconies and roof terraces will be included.

GIA/IPMS 2: Areas occupied by windows are measured to the glass if the area of the window covers more than 50% of the wall.

NIA/IPMS 3: Columns are included; partitions on multi tenanted floors are measured to the middle of the partitioning.

The new standards will be mandatory for all RICS members.

It is yet unclear whether properties need to be remeasured to fall in line with the new standards for say the 2017 Rating Revaluation. ■

For further information on this please contact Edward Godfrey on 0207 7643 1508



Kinney Green dances the nightclub away!

The Kinney Green professional department have recently settled a compensation claim on behalf of a long established Brixton Nightclub, which was to be Compulsory Purchased as part of the 'Your New Town Hall' redevelopment by Lambeth Council.

The 'Your New Town Hall' project is part of the Lambeth Council plans to regenerate a core 2.5 acre site around the Town Hall in Brixton between Acre Lane and Brixton Hill.

The professional team engaged with the client early in the process to provide strategic advice, which is essential when faced with the prospect of compulsory purchase. This early dialogue enabled the team to understand the client's business and agree early settlement with the acquiring authority without the need for a Compulsory Purchase Order.

This project is just one of many Compulsory Purchase schemes Kinney Green is involved in. Should you wish to find out more about our CPO service then please do not hesitate to contact Chris Jakes on 0207 643 1526 ■

West End market experiences an Indian summer

Our West End office is pleased to report a spate of transactions completed immediately after the summer period which sets the tone for the rest of 2015 and on into 2016.

Advised by Kinney Green, Biotechnology Company Silence Therapeutics, has recently moved into their new offices in Hammersmith. We were originally appointed at the back end of 2013 to advise the client

on relocation, but after undertaking a detailed review of all options, the best course of action was for the client to renew their existing tenancy on a short-term basis and postpone the move.



Even though the Hammersmith market remained tight with limited supply, especially for units under 10,000 sq ft, we were able to successfully agree terms to take the seventh floor at 72 Hammersmith Road, W14, providing approximately 4,500 sq ft. The rent agreed reflects £43.50 per sq ft, an extended rent free period was granted to enable Silence Therapeutics to undertake an extensive fit-out of the floor to ideally suit their specific requirements.

Tim Freeborn, Finance Director and Company Secretary at Silence Therapeutics commented, "I'm glad we picked Kinney Green to help us find a new office. It was quite a restricted brief but they still managed to show us a good selection and they were flexible when our requirement changed during the search." ■

For further information on this please contact Kevin Kemplen on 0203 691 6062

A creative opportunity

Elsewhere at 40/44 Newman Street, W1 Kinney Green advised leading independent creative branding agency Ignition Creative on the acquisition of another floor in the building.

When Ignition opened their UK office in Newman Street over three years ago, Kinney Green were advising the owners on marketing surplus accommodation. The building was subsequently sold, which enabled Ignition Creative to appoint Kinney Green to secure additional accommodation in the building when the opportunity arose. Despite some stiff competition, terms were agreed on an adjacent floor, which enabled the client to successfully expand within the building. Gemma Stone, Production Director at Ignition Creative remarked on Kevin Kemplen's role in the process, "As a growing business wanting to stay in the heart of the West End's media hub, it's a real challenge to find good space, Kevin's quick

research enabled us to grow within our existing building. He continued to support and guide us through the very frustrating negotiations that are inevitable in acquiring a lease. We were super grateful we had him on our team!" ■



For further information on this please contact Kevin Kemplen on 0203 691 6062



Off market purchase in the city

After several years seeking a central City freehold with a ground floor banking hall, Kinney Green's City Agency team identified 45/47 Cornhill London EC3 as a possible purchase on behalf of Ziraat Bank.

Over a 12-month period we then negotiated the purchase of the 5,000 sq ft building in an off-market transaction such is the demand for opportunities of this nature.

Kinney Green has subsequently been instructed to manage the building and provide advice and support regarding the client's occupation and refurbishment strategy. The building, which still houses

two other tenants occupying three floors, is arranged over ground and first - sixth floors and will require modernisation for the bank's proposed occupation in 2016. ■

For further information, please contact Kim White, City Office Agency Partner on 020 7643 1506 or Stephen Griffiths, Asset Management Partner on 020 7643 1520



Up, up and away

Kinney Green's West End office were recently appointed by leading cross-Atlantic airline operator, Icelandair, to advise on the financial viability of renewing their existing lease at 1 Fitzroy Square, W1 or relocating.

Having undertaken a financial model to enable a direct comparison to be made, the decision was taken to engage with the landlords and agree terms for the renewal of their existing lease thus avoiding the significant costs of relocation and sub-let part of the accommodation surplus to requirements. Terms were subsequently agreed on the basis of a new ten year lease on the second floor of the building providing approximately 3,500 sq ft whilst simultaneously agreeing terms with

KJ Tait, a firm of engineers providing professional consultancy for the design and management of engineering services, to lease the surplus accommodation on contemporaneous terms.

"I was delighted with the service and advice that Kinney Green provided Icelandair. They undertook extensive searches to identify premises and locations, which would suit our needs. When we decided to remain, Kinney Green

negotiated the renewal of our lease and secured beneficial terms on our behalf. They were very professional and we valued their advice, I have no hesitation in recommending Kinney Green to any company seeking new premises or considering lease renewal." Maria Hudson, Icelandair. ■

For further information please contact Kevin Kemplen on 0203 691 6062

CPO - Act and assess now

Currently within the UK there are a number of large scale infrastructure schemes that are under construction, nearing approval or are in preliminary stages of conception.

Each of these has or will have a significant impact upon property both on a localised and national basis. These include High Speed 2, Bank Underground Station Upgrade, Crossrail and Crossrail 2, all of which Kinney Green are actively involved with and are currently advising claimants.

Of particular note is High Speed 2 (HS2) currently in parliament, which aims to provide a high speed rail link between London and Birmingham. HS2's schemes are constantly evolving and with this changes to the properties affected vary. In order to achieve the desired plans large proportions of commercial and urban areas are to be Compulsory Purchased under existing statute law.

Due to the complex, perhaps dated legislation, applying to a hypothetical scenario in the "no scheme world" a pro-active approach should be adopted, as claims invariably take a long period to resolve. Kinney Green's professional department can provide practical, comprehensive and detailed advice on a personal level to those potentially affected. They have experience of a large number of schemes over several years.

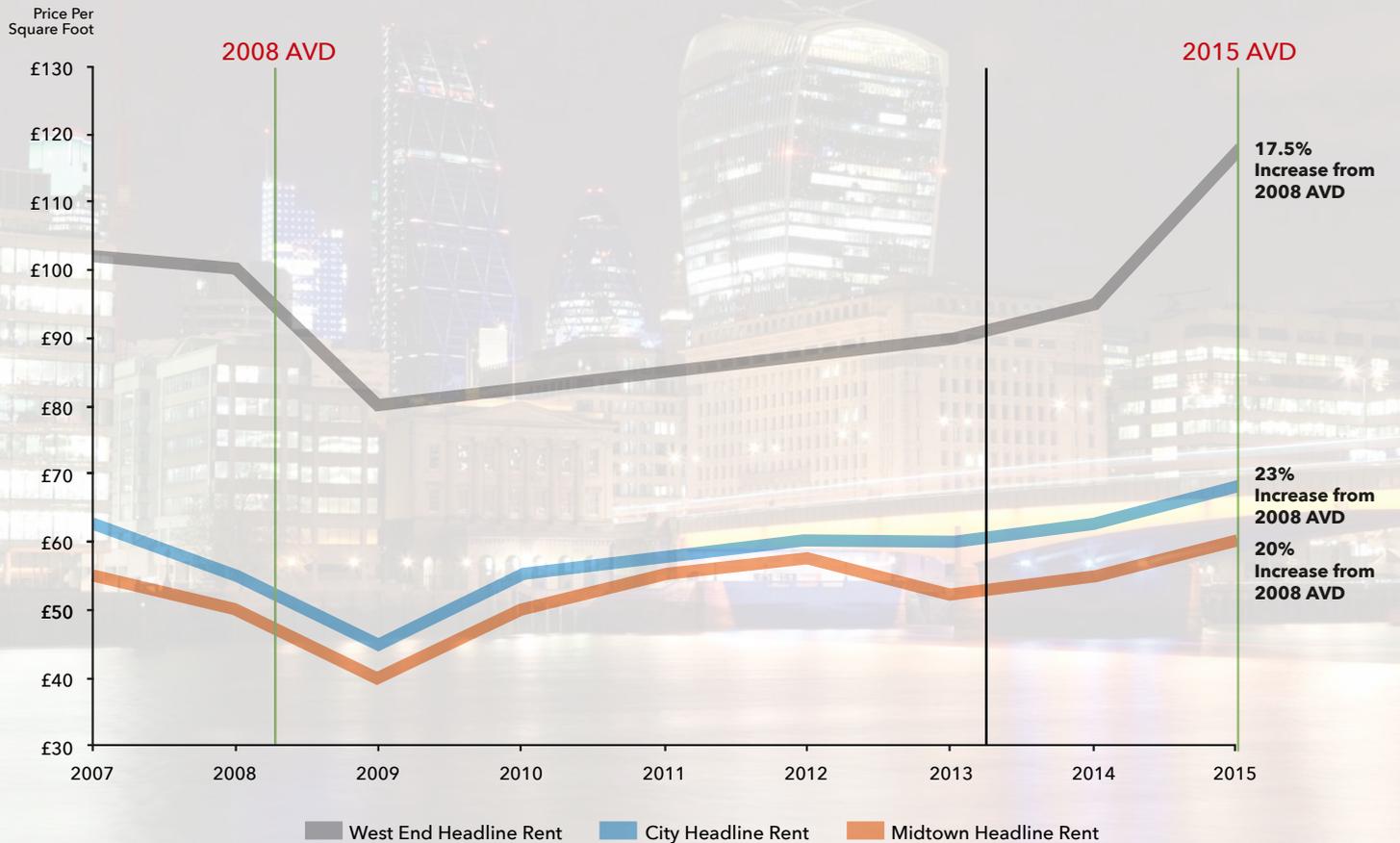
Current projects include:

- 135 Cannon Street - Bank Capacity Upgrade (*claimant*)
 - Crossrail - Swallowfield way, Hayes UB3 and Bow Road E3 (*claimant*)
 - HS2 - Commercial Building adjacent to Euston (*claimant*)
 - HS2 - Food operator in Park Royal (*claimant*)
 - 'Your New Town Hall', Brixton - Fridge Night Club (*claimant*)
- See previous article. ■



For further information on this please contact Tim Powell-Harper or Chris Jakes on 0207 643 1500

Prime Office Rents in Central London



Rating Revaluation 2017 - Be prepared!

In October 2012, the Government postponed the next business rates revaluation from 2015 to 2017. This decision was based on the desire to keep rates bills increasing by the rate of inflation year on year and to avoid unexpected hikes in rate liability.

However, in reality this will delay the much needed rebasing of rateable values which are currently fixed to 'pre-recession' rental levels in April 2008. In the vast majority of cases ratepayers would have paid significantly less in the 'delayed' 2015 revaluation as based on rental levels in April 2013 which in most cases will be lower than rental levels in April 2008 when the market was at its peak.

The 2017 Revaluation will be based on rental values at the Antecedent Valuation Date (AVD) which the government has set at 1st April 2015. The implication of this is that as rents have started to recover following the recession, rental value at the April 2015 AVD will be much higher than what would have been the April 2013 AVD, thereby significantly increasing the 2017 rateable values of most properties.

This delay in Revaluation heightens the importance for businesses to make sure their current rateable values are correct as with the likely reintroduction of transitional relief this could have a longer effect on your liability where calculated with reference to the rates paid in the previous year and subject to annual inflationary increases.

New values are likely to be published this time next year but we would welcome providing an appraisal now if you have not yet considered this potentially growing liability. With the valuation date being so recent, if you are in discussion on a rent review or lease renewal or have received a form of return we would advise taking advice as the implications could be significant for the next seven years! ■

For any enquiries regarding this article or more specific issues, please contact Tim Powell-Harper on 020 7643 1516 or Elsie Osunbor on 020 7643 1525



Important insurance change 63

The following factors may have an impact on your insurance costs:

■ Insurance Premium Tax Increase

Following the Chancellor's Summer Budget the standard rate of Insurance Premium Tax will increase from 6% to 9.5% with effect from the 1 November 2015. This means that all new and renewing policies from this date will be subject to the higher rate of Tax.

Please note that mid-term changes to any existing policies will not be subject to the higher rate of tax until 1 March 2016.

■ Terrorism

Earlier this year Pool Re announced changes to the UK terrorism risk reinsurance programme, which came into effect on the 1 October 2015.

This includes the following changes to the current rating structure:

- 10% increase to the Material Damage (Buildings, Contents, etc.) premium rate for City Centre and target locations only.
- 10% reduction to the Business Interruption (Loss of Rent and Service Charge) premium rates for all locations.
- Pool Re have also re-classified postcode areas N1 and TW6 which will mean these are now subject to different premium rates.

Kinney Green work with property insurance specialist Aquilla Insurance Brokers Limited who will be happy to assist you with budgeting for these changes and any other questions you may have. ■

For further information on this please contact **Stephen Griffiths** on 0207 643 1520

Kinney Green Lease Advisory

Continuous rental growth, declining vacancy rates, and stable investment yields are just some of the trends that have characterised the commercial property market across most London areas over the past year.

Throughout 2015 Kinney Green's professional department have continued to support clients across all commercial property sectors advising on lease renewals, rent reviews, and strategic advice.

A lease can prove to be a complex document, governing the relationship between landlord and

tenant for a number of years and in our experience it is vitally important that both parties seek early professional advice to understand both its terms and implications on value both throughout the term and upon expiry.

Kinney Green are able to offer a thorough understanding of the market with an analytical approach to the evidence in relation to specification, location and lease terms which will offer the best outcome to our clients.

Should you be faced with an upcoming rent review or lease renewal, please do not hesitate to contact the Kinney Green Professional department. ■

Recent Professional Department Instructions:



10 Old Bailey EC4
Advised the landlord in respect of various rent reviews of approximately 70,000 sq ft of office space.



1 Coleman Street EC2
Advised the tenant in respect of a rent review of approximately 5,000 sq ft.

For further information on this please contact **Tim Powell-Harper** on 0207 643 1516



Kinney Green
Head Office: 27-32 Old Jewry,
London EC2R 8DQ 0207 643 1500

West End Office: 25 North Row,
London W1K 6DJ 0207 495 1222

