

When is a Holiday Park not a Holiday Park?

The question of whether a holiday home is a dwelling for the purposes of the Landlord & Tenant Act 1985 (LTA) has become a hot topic in the leisure sector over the last few years and now falls to the Courts to decide.

Vickery Holman's property management department are used to managing a wide variety of commercial and residential property, but believe there is a real risk for those operators in the leisure sector who continue to run their holiday parks as businesses without having due regard to the requirements of the LTA and the protection that this gives to leaseholders.



Legal news

In King v Udlaw (2008), the Lands Tribunal took the view that the leases of bungalows on a holiday park, stating they could only be used as holiday accommodation, were not therefore occupied as a home and so could not fall within the protection of the LTA. This view was however rejected by the High Court in Phillips & Goddard v Francis in relation to a Cornish holiday park dispute.

Whilst the legal proceedings rumble on in the Phillips & Goddard case, two important points need to be noted for all owners of holiday parks that may fall within the protection of the LTA.

1. If the leaseholders pay a variable service charge then they will have the right to query and question the reasonableness of such charges.
2. There will be a duty on the part of the Landlord / owner to consult with leaseholders over their service charges. Failure to do so, without dispensation from the requirements, will result in the Landlord not being able to recover from the lessees who contribute through their service charges to the

cost of works or long term agreements, more than £250 (in the case of works) and £100 (in the case of long term agreements).

It is fully acknowledged that a property manager may never run a holiday park as well as the full time and often resident owner however taking professional advice can prevent an operator falling foul of the law and ending up in time consuming and costly disputes.

Vickery Holman's top tips therefore are:

- Prepare an annual service charge budget and notify all tenants
- Ensure all funds collected are held in a Trust account and separated from any business funds
- Try to ensure that expenditure is reasonable and obtain several quotes where possible
- Check if there are any long term agreements costing more than £100 per tenant

- Check if there are any qualifying works costing more than £250 per tenant
- Make sure all expenditure is recoverable under the terms of the lease

Obviously the above is only part of the story, but Vickery Holman can provide more detailed service charge advice as required. Our property managers can obviously be employed on a full management basis but often the most effective solution is a consultancy arrangement where an initial review is carried out, changes are implemented and templates and guidance are provided to set holiday park owners across the south west in good stead for the future.



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Historical Valuations

Valuations of property at a historical date can be an interesting exercise. We are asked to provide opinions on historical values for many reasons most often to assist with tax calculations of Capital Gains Tax liability, can also as expert evidence in litigation and overage provisions in development contracts.

As we all appreciate property values have changed dramatically over the years in real terms but have also changed in relative terms. Often the biggest changes are in location. Town and neighbourhoods gentrify

and become more fashionable in residential and retail property terms. Communication, in particular highway, improvements can really change demand for property and increase its value relative to other



areas. Perhaps less obvious is regulatory change for example the change in licencing laws which fundamentally changed the hospitality property market and to a lesser extent the Equality Act to access public property and today the Energy Act and un-sustainable buildings. In addition, changes, for example retail, where town centres lost to out of



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town, which furthermore is now losing to internet sales is leading in part to a re-emergence of in-town as more of a leisure location.

Experience is very helpful when trying to value the past. Having a past your self can be very useful in providing an opinion. Having a historical data base of market evidence is probably more reliable but interpreting that evidence is an art made better with the value of experience. At Vickery Holman we are pleased to have some old (experienced) Chartered Valuation Surveyors who are becoming increasingly handy.

If you need assistance with historical values in the South West please contact your local office in Truro, Plymouth or Exeter.

A Matter of Building Expertise



By Dennis Venn
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Within the South West of England you would be hard pushed to locate a Building Surveyor so well connected within the field. Dennis Venn, a Director of Vickery Holman has been a practising surveyor for over 30 years, having established himself as an expert within his field.

For the past 11 years Dennis has been the Chairman for the Devon and Cornwall branch of Pryamus and Thisbe Club, a learned society promoting excellence in Party Wall Matters. Over the past 9 months he has been part of a working party revising "The Green Book", a reference book used by practicing surveyors, solicitors and the courts. Recently Dennis has been elected as the National Vice Chairman and will take this post in June 2016. On the appointment with this prestigious role Dennis comments,

"It is a great honour to be considered for such a recognition within the profession. As a young surveyor going into the profession, you can only limit your own possibilities and hopefully I have, and will continue to make the most of those presented to me.

Having relocated to the South West some 17 years ago to work for Vickery Holman, I brought with me the experience of working in London and the wider Home Counties. As a Director of a company which operates within the South West and raising a family here, I now see this as my home and I am committed to assisting in building the future here in whatever form that may take for future generations."

Currently Dennis continues his professional development through his study of Adjudication via the RICS for the Royal Society for Public Health's Diploma in Adjudication. This qualification will see Dennis in a position to accept referrals from the President of the RICS Authorised Nominated Body as an Adjudicator.

Dennis and his building surveying team across the South West, some 14 strong are supported by their general practice surveying team covering most property related services, including, but not exhaustively project management, contract administration, building surveys, Party Wall, dilapidations, expert witness, adjudication advice, property management, rating and advice on leases. Vickery Holman surveyors will provide a free initial verbal consultation on any property related matters covering the South West. Contact your local office in Truro, Plymouth and Exeter for more information.

Vickery Holman is UKAS accredited for ISO Quality Standards and Environmental Systems



One Square Foot, No More, No Less?

Research has shown different methods of measuring buildings used around the world has meant that office measurements could vary by up to 24%. As a result of this the International Property Measurement Standards (IPMS) was introduced from 1st January 2016 to tackle these inconsistencies and uncertainties and provide a uniform, transparent and consistent method of measuring offices globally. Offices will be the first to be measured in this way with residential to follow later this year, followed by industrial and finally retail.

IPMS for offices sets out three standards of measurement to be used for different purposes:

1. IPMS 1 compares closely to gross external area (GEA).
2. IPMS 2 compares closely but not exactly to gross internal area (GIA) with areas occupied by the reveals of windows included in IPMS 2 but excluded for GIA.

3. IPMS 3 compares to net internal area (NIA), but this has the largest number of differences between the old and new method therefore is likely to see greater difference between established floor areas and those used in future.

For the moment dual reporting will be required while surveyors and their clients get to grips with the new



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standards. In particular, it will take time in the context of valuation where comparable evidence will have been analysed on a NIA basis. The RICS emphasise that IPMS will not affect Market Value however it may change the analysis of the Market Value when analysed on a rate per square foot basis.

Cornwall Council Tender Announcement



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Vickery Holman are pleased to confirm that they will be working with Cornwall Council for the next four years as the Authority's Framework Consultants for Estates Services as from 01 April 2016.

The contract was tendered at the end of 2015 and Vickery Holman have recently been confirmed as the newly appointed firm.

"The contract covers a wide range of property services that we are well placed to provide", commented Alan Treloar, Director, at Vickery Holman's Truro Office.

"The tasks that we will be carrying out for the Council under this contract include dealing with landlord and tenant related issues such as lease renewals, rent reviews and the like as well as valuation work and property agency where required. With our offices in Truro and Plymouth we are geographically ideally positioned to act across the County".

Peter Marsh Head of Commissioning and Asset Management commenting on behalf of the Council adds "We were very pleased with the quality of all tenders received in response to our request for submissions and look forward to working with Vickery Holman on various property matters across our diverse portfolio".



You Can't Afford to Get Insurance Wrong

The British Isles survived another winter of storms and floods and we now look forward to the summer months. However, in order to deal with the impact left behind from the seasonal weather, the Building Surveying team at Vickery Holman are often instructed to specify remedial work, not only for buildings damaged directly by the elements, but also from the by-products, such as burst pipes, fire damage and defects to structure. From our professional perspective, it is clear that there is a risk of building owners under insuring their properties and not being covered in order to address any required repairs.

Often this falls into two distinct categories, the first, the cost for reinstatement being inadequate. The second is that the property may have originally been insured for an appropriate amount, but the insured value has only been updated in line with the Retail Price Index or other similar indices.

Building cost and tender prices do not directly correlate with the Retail Price Index. In recent years tender prices have risen in 2013/14 by 3.8% and again by 6.2% between 2014/15 and further rises predicted to be 5% per annum on average (as indicated from BCIS data).

The phrase "lies, damn lies and statistics" comes to mind when quoting any figures. The size of building, type of building and location can significantly affect the cost for demolition and re-building. Relying purely on global percentage increases may not reflect the local conditions applicable to any individual property. More complicated buildings and these days, buildings with heat recovering units, solar panels, or complicated heating installations, may require a more informed assessment for rebuilding costs.



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A number of re-building cost assessments are made based on a figure provided within Valuation reports, but these are not sufficient enough to provide a true valuation from a rebuild perspective in all cases.

Our recommendation would be to have a Reinstatement Valuation undertaken in order to establish the true reinstatement costs allowing you to have peace of mind should these funds need to be accessed on account of the Great British weather!

Business Rates Mitigation

Attention landlords or tenants with vacant premises



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Rates liability when premises are vacant can be substantial. Whilst a building is entitled to an initial period of empty property relief, there is no automatic right to extend the statutory relief if the premises remain vacant for a long period of time. However, we are able to help mitigate this liability through a period of temporary occupations.

At Vickery Holman we manage a Bluetooth mitigation scheme where, via the installation of the Bluetooth equipment, which is about the size of a set top box, there is deemed 'occupation' of the premises.

Following a period of occupation, during which rates are payable, a further 3 month (if office or retail) or 6 month (if industrial) saving may be claimed.

The process may be repeated in the event the property is not let or sold and therefore particularly useful to Landlord's who are marketing empty premises as it mitigates some of their void costs.

As a worked example, an industrial unit with a Rateable Value (RV) of £60,000 would be liable for a Rates Liability of £29,820, based on the rates payable in 2016/2017. The Rates Payable during the mitigation would be approximately £3,500. When the device is removed the client would receive a 6 month exemption period which would equate to a saving of approximately £14,900 in Rates Payable.

Partnership Valuations for Dr Surgeries



By Greg Oldrieve
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The rapid changes in health care are a challenge not only for health professionals but also surveyors providing advice to the medical sector. Primary care is no longer a simple diagnosis and sign post service but a comprehensive operation including minor surgery and physiotherapy, often co-habiting with other complementary uses like dentistry, community health care and pharmacists.

As a consequence many existing primary care surgeries are incapable of accommodating not only the volume of the new services but their specialist nature, making them less valuable and on occasion obsolete.

When surveyors are asked to provide rental values including notional rents or capital values for loan purposes or partnership changes, we have to have a clear understanding of the sector in order to judge accommodation in terms of its fitness for purpose which determines its value.



Pressures from the NHS, CQC, patients and staff are leading GP partnerships to contemplate relocation into new premises better suited to their new role. New premises are often expensive and as a consequence the conventional freehold ownership model becomes unattractive and some partnerships turn to leasehold often working with specialist developers and investors allowing them to focus on their core purpose.

We currently act for a number of GP practices contemplating their future estate requirements. Part of this advice is to consider the alternative use for their existing surgery premises in order to maximise its realisation at least matching figures contained within the existing partnership accounts. On occasion this has included redevelopment and retention as a rental investment.

Revaluation 2017

Rateable Values are currently being revalued in anticipation of the new Rating List which will be effective from 1st April 2017. The draft rating list will be published on 1st October this year when we will be able to download ratepayer's new RV is from the Valuation Office website and advise clients of their new liability from next April. We are working with clients now in preparation for this.

Next April will also see the new three stage appeal process known as 'Check, Challenge and Appeal' aimed at speeding up the appeals process. We are also expecting a new three yearly revaluation period. These changes follow an extensive Government consultation and review into the business rates system.

There is some good news from next April for small businesses when the Chancellor's budget announcement confirmed that small business relief at the lower threshold will be increased to RV's of £12,000 and under. This means that if the ratepayer qualifies for small business relief, they will be entitled to 100% relief on their liability.



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If you would like further advice on mitigating your rates liability either as an occupier or ratepayer with vacant premises or advice for the 2017 Revaluation, please contact Nicola Murrish.

New Director Appointed

Vickery Holman are pleased to announce that Robert Beale has joined it's Board of Directors. Robert has spent 13 years with the company and during this time has been an integrated part of each of the Vickery Holman offices. Robert has been Head of Valuation Service for 6 years and has grown the department to now employ 14 Registered Valuers.

Mark Pellow, Managing Director, comments "Robert's contribution to the company over recent years is easily identifiable as is his passion and long term commitment. The Board welcome the new ideas and approach he will bring and I am sure he will act as a critical friend, willing to challenge how we work, whilst adding to our current successes in order to strengthen our VH brand."

Robert also commented, "I was delighted to accept the Boards invitation. I believe that being a Director will enable me to identify opportunities to build on the future of the company and achieve its aims for the benefit of employees and clients alike."





The Abode – Royal Clarence, Exeter

Vickery Holman keep the South West updated: Property Matters



By Alan Treloar
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Earlier this year, Vickery Holman hosted their annual Market Review presentations in Truro, Plymouth and Exeter. This year's events hosted the largest number of attendees since its launch over 5 years ago.

Attendees at the events were given updates from the relevant local Vickery Holman team members, with their personal local interpretation of the Commercial Agency sector including investment property, the leisure industry, development projects, student housing and EPC legislation to name a few.

Director of Business Development and Commercial Agency Alan Treloar comments, "Being involved in the local markets and having so much relevant information to hand, we are in a very strong position to provide clients with the right advice across a wide range of property issues. Our mix of local representation and region-wide coverage across the South West enables us to report to our clients on a very diverse range of property matters. We make it our business to ensure that we have the market knowledge to advise our clients on their ranging property portfolios."

"What came through from each presentation was my colleague's commitment to the South West and our passion for its future. The guests at each presentation were a selection of business people who we believe feel the same way and we look forward to working with them and others to make the South West more successful than ever. There will always be factors that we need to monitor within the wider national and global economy, but we maintain that there is a great deal that we can do to improve our own destiny and that of the region.

At each event, supporting books "The Market 2015-16" were available to take away. A copy of this information providing a review of the key trends and events of 2015 and outlines our predictions for 2016 including a review sector information as well as a handy property reference guide can now be found on the Vickery Holman website vickeryholman.com.

Team updates



Director
Robert Beale



Associate
Robert Allen



Associate
Laura Hathaway



Associate and awarded MRICS
Joanne Harwood



Awarded MRICS
Adam Sara



Awarded MRICS
Chantal Molony

New starters and relocations
Plymouth Office

30 Years Service
Exeter Office



Sarah Blatchford
Receptionist



Jill Hitchcock
Valuation and Professional Services Support



Lisa Coleman
Valuation and Professional Services Support

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FOR SALE

DELI BUSINESS AVAILABLE
Duke Street Sandwich Deli, Truro

T/O currently £160,000 and increasing. Prominent position with seating outside. 38.4 SQ.M (413 SQ.FT)

£49,950
EPC Rating – TBC



FOR SALE

DEVELOPMENT OF 9 FLATS
Pendarves Street, Tuckingmill, Camborne

Lot 1 - conversion to 5 flats. Lot 2 - new development of 4 flats. With parking.

Lot 1 - £185,000
Lot 2 - £145,000
EPC Rating – from D (76) to D (63)



TO LET

MODERN RIVERSIDE OFFICES
Jubilee Warehouse, Penryn

Superfast broadband. Fully DDA compliant with onsite parking. 97.8 SQ.M (1,053 SQ.FT)

£17,000 per annum
EPC Rating – A (17)



FOR SALE

POTENTIAL DEVELOPMENT OPPORTUNITY
The Salvation Army Hall, Camborne

Imposing stone property dated 1890. Small parking area / yard to the rear. 284 SQ.M (3,057 SQ.FT)

£150,000
EPC Rating – N/A



TO LET

SUBSTANTIAL MODERN UNIT
Callywith Gate Industrial Estate, Bodmin

Mezzanine offices and storage. Popular and established estate. 774.8 SQ.M (8,340 SQ.FT)

£38,000 per annum
EPC Rating – C (66)



TO LET

NEW RETAIL UNITS
Wharf Road, Penzance

Prominent location opp. main car park. Near Wharfside Shopping Centre. 95.4 - 559.4 SQ.M (1,026 - 6,021 SQ.FT)

From £11,000 per annum
EPC Rating – TBC



FOR SALE

PROMINENT COMMERCIAL DEVELOPMENT LAND
Wheal Harmony, Treleigh, Redruth

Located at entrance to established estate with superb access to A30. 0.16 - 0.66 Ha (0.40 - 1.63 acres)

From £95,000 to £295,000
EPC Rating – N/A



FOR SALE

SUBJECT TO RELOCATION
Lidl, Western Promenade Road, Penzance

Prominent site in seaside location. Potential for development STP. 0.53 Ha (1.31 acres)

Offers invited for the freehold interest
EPC Rating – N/A

PLYMOUTH OFFICE / t: 01752 261811 / e: plymouth@vickeryholman.com



TO LET

OFFICE SUITES
Modbury House, New Mills Industrial Estate, Modbury

Flexible terms. Various suites available. From 22.5 SQ.M (243 SQ.FT)

From £3,750 per annum
EPC Rating – C (69)



TO LET

PROMINENT LEISURE ACCOMMODATION
First and Second Floor, 31 Derrys Cross, Plymouth

D2 use but would be suitable for a number of uses (STPP). Generous incentives available. 488 SQ.M (5,253 SQ.FT)

£35,000 per annum
EPC Rating – B (47)



TO LET

CITY CENTRE OFFICE
Second Floor, 26 Lockyer Street, Plymouth

City centre. Arranged as various rooms, could be open plan. 95.6 SQ.M (1,029 SQ.FT)

£13,500 per annum
EPC Rating – D (90)



TO LET

INDUSTRIAL UNIT WITH YARD
East Central House, Lee Mill Industrial Estate, Ivybridge

Popular location. Two separate bays. Large yard. 580.9 SQ.M (6,253 SQ.FT)

Please enquire
EPC Rating – D (88)



FOR SALE

LAND WITH PLANNING PERMISSION
Land between 110 Kenmare Drive and 75 Wensum Close, Plympton

Planning permission for 8x2 bedroom flats. Includes end of terrace 2-bedroom house. 0.07 Hectares (0.18 Acres)

£375,000
EPC Rating – C (72)



TO LET

OFFICE WITH GOOD ACCESS TO A38
Second Floor, Argosy House, Marsh Mills, Plymouth

On site car parking. Flexible terms. Last remaining suite. 117.8 SQ.M (1,268 SQ.FT)

£12,500 per annum
EPC Rating – C (64)



TO LET

FORMER ESTATE AGENT'S OFFICE
54 North Hill, Plymouth

Basement, ground and first floor. Suitable for office or retail use.

89.2 SQ.M (960 SQ.FT)

£14,000 per annum
EPC Rating – D (95)



FOR SALE

OFFICE BUILDING WITH PLANNING
Sandon Court, The Millfields, Plymouth

Planning permission for conversion of ground and first floor to 5x2 bedroom apartments. Also available to let. 552 SQ.M (5,940 SQ.FT)

From £4,500 per annum / £535,000 for the long leasehold
EPC Rating – N/A (listed)

EXETER OFFICE / t: 01392 203010 / e: exeter@vickeryholman.com



TO LET

SHOWROOM AND TRADE COUNTER UNIT
50 Finnimore Industrial Estate, Ottery St Mary, Exeter

Office and industrial. Prominent showroom. Well established estate. 687.1 SQ.M (7,396 SQ.FT)

£36,900 per annum
EPC Rating – C (64)



FOR SALE/TO LET

RESTAURANT / BAR PREMISES WITH 4 FLATS
7-8 Braddons Hill Road West, Torquay

Central Torquay Potential for alternative uses STP 308.7 SQ.M (3,323 SQ.FT)

£40,000 or £325,000 for freehold
EPC Rating – D (93)



TO LET

2 RETAIL UNITS WITH LARGE FRONTAGE IN POPULAR RETAIL DEVELOPMENT
14 & 15 Lace Walk (Off High Street) Honiton

Prominent retail units on well-established retail parade, close to main centre car park, Co-op, Iceland & Twenty One Store Units from 758 SQ.FT (70.4 SQ.M)

£15,000 per annum, per unit
EPC: Unit 14 – E (120) Unit 15 – D (95)

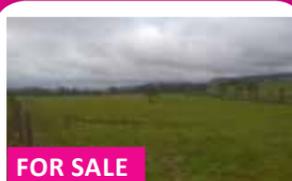


FOR SALE/TO LET

MODERN 45,000 SQ FT UNIT
Unit C, Castle Road, Chelston Business Park, Wellington

Easily accessible location. Well presented unit. Open yard and car parking. 418 SQ.M (45,000 SQ.FT)

£220,000 per annum
EPC Rating – C (70)



FOR SALE

AGRICULTURAL SALE AND LEASEBACK OPPORTUNITY
Land near Bicton College, East Devon

74.18 hectares (183.28 acres)

Terms on Application
EPC Rating – N/A



FOR SALE

FREEHOLD INVESTMENT PLUS CAR PARK
44 Fore Street, Brixham

Prominently positioned unit on high street in a popular tourist town. 90.7 SQ.M (976 SQ.FT)

Price on Application
EPC Rating – E (120)



FOR SALE

RESIDENTIAL DEVELOPMENT LAND CLOSE TO BEACHES
Land at Sandymere Road, Northam, North Devon

Land with full planning permission for 14 bungalows in popular residential & tourist area of Northam. 1.982 Acres (0.802 Hectares)

£940,000 for the Freehold



TO LET

GRADE II LISTED WATERSIDE PROPERTY
First Floor, 60 Haven Road, Haven Banks, Exeter

Versatile accommodation in popular Exeter canal basin. 451.6 SQ.M (4,861 SQ.FT)

£20,000 per annum
EPC Rating – N/A