

White Wire

Success along the M40 corridor!



White Commercial Surveyors have been involved in a string of transactions as companies look to expand and invest along the London to Birmingham M40 corridor.

- Further details included in this issue.....
- Office or Residential?
- Demand from occupiers outstrips supply for industrial buildings...
- National Companies investing in Banbury
- Selling land for development TAX implications?
- Relocation hassles!



Success along the M40 corridor...

Companies expanding their businesses along the M40 include...

Prodrive – taking a new 120,000 sq ft Industrial building at Central M40 Banbury.

Kärcher – taking a new 85,000 sq ft office building at junction 11 of the M40.

The Entertainer (Toy Shop) – taking a new 250,000 sq ft unit for their new warehouse and distribution facility.

Banbury Gateway Retail Park – a new 285,000 sq ft retail park currently under construction, providing: one of Marks and Spencer's biggest out-of-town department stores totalling 100,000 sq ft; 60,000 sq ft Primark Store; 40,000 sq ft Next home and fashion store; **Fat Face's** largest retail store in the country; **New Look** fashion store.

Banbury Gateway benefitting from a catchment of over 415,000 people and close to 450,000 vehicles passing the site on the M40 every week

Further developments in the region include:

29,000 sq ft **Waitrose** Food Store in Banbury
80,000 sq ft **Sainsbury's** superstore in Brackley, together with a development of new residential and commercial schemes in the northern M40 area.

Offices or Residential?

White Commercial Surveyors have LET/SOLD over 90,000 sq ft of offices in 14 separate transactions in the past six months in the Town Centre of Banbury at Junction 11 of the M40. There has been a significant improvement in demand for office accommodation in the past twelve months and we have a number of substantial requirements from current businesses along the M40 looking to expand their operations and invest in the M40 Corridor.

A number of the premises – some 45% – are likely to be converted to residential units under current government legislation of 'Permitted Development Rights'.

We can already see shortages in supply of office space developing due both to the above and the lack of newly developed offices i.e. it costs nearly twice as much to build offices on a green-field site as it does to buy new unoccupied office buildings.



Demand from occupiers outstrips supply of industrial buildings....

White Commercial continue to see shortages of industrial and warehouse supply in the south-east and the M40 corridor. We have recently bought a ten unit industrial estate at Tramway in Banbury comprising over 160,000 sq ft for Tilstone Investments. Prior to marketing we have let five of the six units that were available – which totals close to 70,000 sq ft. These units have been let to Magna, Cleenol and KSP.

We are also due to finalise leases on a 20,000 sq ft unit and the sale of a 25,000 sq ft industrial building in Banbury.



MXL Centre Banbury



Tramway Banbury

Acquisition Service

Due to the fact that buildings are difficult to locate-industrial and warehousing occupiers are taking advantage of White Commercial Surveyors commercial property acquisition services where the company use their market intelligence and expertise to search, find and negotiate the best economic and legal terms on new facilities. Recent searches include: 70,000 sq ft 'Project Thunder' looking from Coventry to Bicester; 15,000 sq ft 'Project Oak' looking from Bicester to High Wycombe.

- Formal Commercial Valuations
- Property management
- Rent reviews and lease renewals
- Property acquisitions and disposals

- Property site development and appraisal advice
- Commercial Property investment
- Specialist automotive advice

- Business rates advice
- Occupational costs advice
- RICS regulation

National Companies Investing in Banbury

White Commercial Surveyors are advising Prodrive on the disposal of their M40 Corridor site to LXB – the developers of the out of town Banbury Gateway Retail Park have been delighted with the take up of retail units on the scheme.

We were instrumental in the appointment and negotiations with the developer on the scheme enabling Prodrive to relocate to a brand new 120,000 sq. ft. industrial facility at Central M40 overlooking the M40. Banbury Gateway's catchment covers a large geographical area and is classified as a major shopping park. The catchment contains over 415,000 people with a total annual comparison goods expenditures in excess of £1 billion. Banbury Gateway is likely to be ranked in the top 20% of out-of-town-centres, factory outlet centres and fashion parks. Due to the site's proximity to junction 11 of the M40 the scheme will have excellent regional accessibility with close to 450,000 vehicles passing the site every week.



New commercial centre and retail schemes on the M40

We are looking to develop retail centres for various clients at a number of new major Residential Developments within the M40 region and are currently speaking to national retailers about the schemes.

Two of these schemes are Longford Park in Banbury - described by Cherwell District Council as "Banbury's largest outstanding housing development" and comprising 185 acres (75 hectares) which is being developed by a consortium of developers comprising Taylor Wimpey, Barratts and Bovis Park and will provide well over 1,300 houses, a school, pub and other Commercial Retail and Office accommodation www.longford-park.com

Graven Hill in Bicester where E C Harris and White Commercial Surveyors and a Project Team have been advising Cherwell District Council on the purchase and development of the Country's first development where the majority of the circa 1,800 house plots will be sold as plots for owners to develop their own houses.

The site's Commercial Centre will also include retail office and community facilities and a nursery together with a site for a Public House – see White Commercial's previous White Wire for details and www.gravenhill.org.uk

White Commercial acquire New UK HQ for Kärcher on M40 corridor at Banbury

Kärcher UK is to relocate its Banbury headquarters from the present site on Beaumont Road to a purpose-built facility at Junction 11 of the M40 comprising a 6.5 acre site and circa 85,000 sq ft (7,900 sq m) of accommodation.

The building is being developed by AC Lloyd and Minns Network Developments. Construction is scheduled to start in mid 2015 with the move to commence from December 2015. The proposed three storey building almost doubles the size of the current premises and will feature modern offices, warehouse space, training and customer facilities to accommodate the growing business. Since Kärcher first came to Banbury in 1978 with an original team of 8, the company now employs almost 300 people. White Commercial Chartered Surveyors has been advising Kärcher's senior management team in the UK for over 5 years in relation to their relocation requirement, having also appointed the project team for the development incorporating ADP Architects and Burnley Wilson Fish for the new high quality headquarters facility.



Tax Implications for selling Development Land!! Landowners take note

White Commercial are the most active advisers in the region regarding Commercial and Residential Development Land with a number of large sites situated in the M40 and M1 Corridors. Increased demand for new Development sites means that landowners are being approached to sell their land more frequently



Very often land will be acquired by a Developer using an option or a contract conditional upon obtaining planning permission. Land promotion or collaboration agreements have become popular with neighbouring landowners sharing the sale proceeds in proportion to the area they own regardless of which plots of land are acquired by the developer. A number of tax questions arise such as:

Will the sale attract capital gains tax or income tax? The profit from disposal of land that has been occupied by the landowner for their business or rented out is normally liable to capital gains tax at a rate of 28%. Conversely, land acquired or developed with a view to realising a profit is normally liable to income tax at rates of up to 47% if national insurance is included. The sharing of profits with a developer is usually liable to income tax. **Is there a potential double charge to capital gains tax?** Collaboration agreements can give rise to a risk that capital gains tax applies twice when one landowner receives the sale proceeds (and is taxed on them) but then passes a share to another landowner (without any tax deduction allowed) who is also taxed. Despite the complexities, careful planning can make the sale of development land extremely tax-efficient. **Is there any possibility of claiming entrepreneur's relief?** If the landowner has used the property in a business (eg farming) for at least 12 months up to the sale date it is possible to reduce the rate of capital gains tax to 10% by claiming entrepreneur's relief. This has to be a genuine business and it is likely that the landowner would need to cease business on or before the sale date, but the tax savings by claiming this relief could be substantial. **What is the VAT position for the land sale?** Sometimes the landowner will incur large VAT charges on costs related to the sale, such as planning expenses or a promoter's fee. The VAT on such expenses may be recoverable if the landowner registers for VAT and opts to charge VAT on the property.

As with all such tax situations, expert advice should also be sought before proceeding.

Mr Alan Bobby, Specialist Tax Advisor, Ellacotts 01295 250401

STOP PRESS>> STOP PRESS>>...

Currently under construction - 235,000 sq ft industrial unit available June 2015 at Central M40. Located at junction 11 of M40 London to Birmingham motorway
www.centralM40.co.uk



If you would like to talk to us about a new development scheme or any of the projects in this newsletter, please contact Chris White, Managing Director, BSc, MRICS, MCI (Arb): chris@whitecommercial.co.uk or visit our website: www.whitecommercial.co.uk

BMG take on the strain of relocation

White Commercial work with a number of partners on various aspects of other Commercial Property



Services and have recently been involved with Business Moves Group (BMG) www.businessmoves.com a specialist Relocation business who provide advice to Corporate Businesses on relocations incorporating Work place management Project management iT Services and Storage facilities/ services. Current Clients include a number of blue chip organisations including Google; Cisco; Cadbury's; Nokia; Siemens; Virgin ITV and Porsche to name but a few. The Company have 8 depots within the United Kingdom and Ireland. We found that our clients were provided with a relatively straightforward but all-encompassing relocation package by Dave Myers of BMG which meant that the Management Team were able to focus on Business Continuity during what is usually a stressful process!!

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