



Kim White celebrates
25 years at Kinney Green



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commercial property
advice to occupiers and
owners across London.

Autumn 2019
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Lease Advisory. Valuation. Business Rates. Compulsory Purchase.



“Simon Isaacs joins Kinney Green to head our Professional Department.”

I love working in an industry where the people you interact with are from such a diverse background where one minute you are advising a CEO of a multi-national corporation and the next re-assuring a sole-trader that they will be adequately compensated following a compulsory acquisition.

Kinney Green

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West End Office: 82 Park Street, London W1K 6NH 020 7495 1222



Simon Isaacs joins Kinney Green to head our Professional Department



Simon Isaacs is a highly experienced surveyor specialising in all aspects of lease advisory, valuation, business rates and compulsory purchase. Simon has joined the firm to head our Professional Services Department and is based in our City office.

He has represented a wide range of landlord and occupier clients including institutional investors, family trusts, national and international occupiers, advising on all types of commercial and residential property, predominantly in central and Greater London, as well as across the major cities in England, Scotland, Wales and Northern Ireland.

Simon was initially attracted to the property industry due to the opportunity it provides to interact with 'a diverse range of people from CEOs of multinational corporations to sole traders whereby the variety of advice given covers a complicated lease restructuring to grounds for compensation as a result of compulsory acquisition.

Simon is married with three young children and in his spare time enjoys watching and playing football and tennis as well as fine dining. ■

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Update on the City of London Office Market

Take-up in the City of London office market has shown positive signs during Q1 and Q2 2019, but this statistic can be misleading.

New shiny buildings such as 22 Bishopsgate, EC2, the City's tallest tower, are attracting tenants quickly as supply is strictly limited for buildings of this quality. However, smaller lower grade second hand space is not proving so successful.

Large corporate occupiers looking for over 20,000 sq ft are continuing to move, driven by both expansion and lease events. Below 5,000 sq ft is a different story. Tenants are increasingly cautious about the political and economic climate and are increasingly taking the serviced office option to limit liabilities, capital expenditure and secure greater flexibility.

It will be interesting to see if this trend continues as serviced office providers aggressively compete for tenant demand.

Top city rents on tower buildings such as The Scalpel remain at approximately £85.00 per sq ft but on non-tower grade A buildings are closer to £65-£70 per sq ft. Rent free periods have increased and the norm is now closer to 12 months for five year leases.

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Landlords of smaller units, where they are competing with the serviced office market are looking at ways to improve their offering and in many cases are now partially fitting-out vacant floors or offering to undertake the tenant's fit-out works as part of the overall deal. Our experience suggests that this will become increasingly common.

Post Brexit the underlying sentiment is that the City of London is too big and resilient, and it will be "business as usual" once there is clarity going forward. We certainly hope so! ■



Tenants are increasingly choosing serviced offices to limit liabilities.

New Head of Investment Appointed

We are pleased to announce that Patrick Church has joined the firm as a Partner to head up our Investment Department.

Patrick has over ten years' experience in the investment market, starting his career at Cluttons before moving to niche London investment agents AHBN LLP from where he joins.

Patrick specialises in investment, funding and development and has been involved in over 50 investment transactions. These deals cover all sectors of the market, for a range of

clients from high net worth individuals to institutional investors and private equity funds. Most recently Patrick acted for Mayfair Capital in respect to the funding of Care UK, Chichester.

Patrick grew up in Devon and therefore naturally enjoys the countryside, rugby and surfing. He's also a part time marathon runner and ran the Lisbon marathon earlier this month completing the course in a time of just over 4 hours. ■

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Brexit, WeWork and the demise of the High Street - is it all doom and gloom...?

Despite the well documented undercurrent of political instability, London commercial real estate remains a top spot for overseas capital, consistently ranking amongst the top global cities for investment activity.

The continued uncertainty has caused a prolonged dip in the value of sterling which has resulted in an increased appetite from overseas investors, with the US currently sitting as the largest investor in the UK commercial real estate market in 2019. As ever, the UK market remains popular with capital from emerging markets, where investors can obtain enhanced levels of security not available in their domestic markets.

Despite healthy demand from overseas capital, there has been a significant fall in transactions for London offices in the first half of 2019. This, in part, is due to those on both sides of the supply/demand scale taking a 'wait and see' approach to their investment decisions, until the broader political and economic outlook looks clearer. This has undoubtedly led to a softening in London's prime office yields, which now sit at 3.75% for the West End and 4.50% for the City.

London is learning to become an increasingly agile city, which is slowly diversifying its occupier base away from traditional financial and insurance sectors. Despite remaining a global

financial powerhouse, occupiers in the media, telecoms, creative and tech industries are becoming increasingly significant and have driven the growth and regeneration in London's fringe locations. This diversification will help London ride the peaks and troughs of the 2020s.

Moving outside of London, the national UK investment market is also experiencing a reduction in transactions, whilst vendor pricing expectations catch up with investor sentiment. The industrial sector is still primarily strong, despite a slight cooling in activity, whilst allocation to alternative markets is growing consistently. It is thought that the counter-cyclical nature, along with the unique supply and demand profiles found in the alternative sectors not only allow for enhanced value opportunities for those in the know, but also offer increased buffers to the instabilities presented in the wider economy. We expect the alternative markets to continue gathering momentum over the next few years.

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Emma Burgess returns to Kinney Green

In May 2018, Emma decided to take on a new challenge and joined the Rating Department of Colliers International. She was flattered by the direct approach and the opportunity to work in a larger company.

However it wasn't long before Emma realised the advantages in working for a firm the size of Kinney Green. Emma comments, "Kinney Green has a structure that allows you be yourself but also challenges you. The expertise within the firm means that you always have someone to turn to and bounce ideas off, the collaborative nature of the departments means that no one works in isolation and everyone in the firm is working towards the same goal. Long may it continue." ■

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Business Rates Revaluation - April 2021 and what it means for central London office occupiers

With the on-going Brexit rumblings and political uncertainty, the valuation date for the next business revaluation slid under the radar without attracting much attention.

The April 2021 business rates revaluation will be based on rental values as at 1 April 2019. Despite the aims of 'project fear' surrounding Brexit, the office markets in the City, Mid-town and West End all displayed resilience. The effect of this is that the majority of occupiers will see an increase in their rates bill as a result of the revaluation.

We anticipate that the largest increase will be seen in the City fringe market where rents have shown strong growth caused

by the expansion and development of the technology sector predominately based in Shoreditch and the surrounding areas.

The actual amount of increase will depend on whether or not the Government introduce another phasing scheme, designed to alleviate the effect of large increases in Rateable Values between rating lists.

The 2017 Rating List is still open for appeals and if you require any further information please contact either Simon Isaacs or Emma Burgess. ■

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The Law Society Appoint Kinney Green

Kinney Green have been appointed by the Law Society to provide strategic property advice in respect of their London HQ which has led them to taking the decision to consolidate into their main building at 113 Chancery Lane, WC2.



The Law Society

They will be vacating 114 Chancery Lane, WC2, an impressive Portland Stone, Grade II Listed Building and have instructed Kinney Green to instigate a marketing campaign. The property provides approximately 19,000 sq ft, with entrances on both Chancery Lane and Bell Yard. The ornate rooms to the Chancery Lane frontage have impressive windows and ceilings suitable for a variety of uses, subject to planning permission. At a guide rent of just £50 per sq ft, the property represents good value in the current Midtown market where vacancy rates are as low as 3%. ■

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Kinney Green's City Office Move

For those of you who may have missed the announcement, Kinney Green's City office relocated to their new premises at 1-3 College Hill, EC4 earlier in the year after 13 years in Old Jewry.

Our consultancy, agency and management teams are delighted with their new environment which even includes a Kinney GREEN carpet! City agency Partner, Kim White, is especially pleased that the move was a success as he was responsible for the negotiations and the trials and tribulations of having broadband connectivity up and running in time for the relocation. ■



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Kim White celebrates 25 years in the City

City Agency Partner Kim White celebrates 25 years at the firm and we thought it opportune to see how things have changed during this time. Below are some of Kim's thoughts and observations of his time at Kinney Green:-

Where have you been based since joining the firm?

When I joined, we only had a City office based at 5 Laurence Pountney Lane, EC4. I have fond memories of the building, an attractive self-contained period building accessed via a private courtyard where the then partners would park their cars on the odd occasion they drove into the office. Being a typical period property, it wasn't the most efficient but back then it wasn't unusual for small firms of surveyors to occupy buildings of this nature where the existence of 'your own front door' was valued and gave an air of respectability. At the time, total headcount for the firm was no more than 15 and each department had their own floor.

When our lease expired in 2006 the landlord decided to convert the building to residential, its original use, which at the time provided higher capital values than for offices. In any event, the multiple floors no longer provided suitable accommodation for our needs and we relocated to a modern air-conditioned single floor at 27/32 Old Jewry, EC2.

Our most recent move in April this year saw a return to south of Cannon Street at 1-3 College Hill, EC4, no more than 200 metres from where I started all those years ago.

What are the significant differences in working practices between now and when you first joined the firm?

You will not be surprised to hear that by far and away the most significant difference in working practices has been the universal reliance on computers, email and internet-based data. When I first joined, computers were basic at best and the internet not universally adopted, only becoming publicly available some five years earlier. Property particulars were printed and posted and letters were the most significant means of formal communication, with the odd fax for particularly urgent documents.

The mobile phone was the status symbol that any self-respecting City agent aspired to.



The ubiquitous Rolex.

Mobile phones were the preserve of the partners, which in any event were unwieldy, unreliable and short on battery life (the phones that is not the partners!). For some, in conjunction with the ubiquitous Rolex, the mobile phone was however a status symbol that any self-respecting City agent aspired to.

The only form of incentive available to agents to attend building launches was a decent lunch, which more often than not extended well into the afternoon, especially those that took place on a Friday. The partners of Kinney Green took this to the extreme and actually owned a wine bar in the City throughout the 80's and '90's!

Measuring was by tape and rod with not a mention of metres, valuation tables were still used, and only cutting-edge surveyors used cash flows. Nobody cycled to work or joined a gym!

What about dress code?

Without exception, everybody came to work in a dark suit with black shoes and a tie and there were no such things as dress down days. It was not unheard of for junior members of some firms to fall foul of the 'rules' only to be sent home for wearing grey shoes to work.

Looking forward, what do you perceive to be the most likely changes in the industry?

We are already experiencing the increasing significance of the serviced office sector with conventional landlords offering shorter term commitments and fitted out space in response. This is a trend that will continue into the foreseeable future as tenants value the speed of delivery, flexibility and lack of capital expenditure required by the serviced option. Increasingly, surveyors will be harnessing the power of social media to promote their firms and market accommodation and the paperless office that has been much discussed over the years will become a reality for most, not just the few.

We at Kinney Green acknowledge and embrace the changes taking place and the need to adapt to these changing practices but believe that there is no substitute for face to face contact and the concise high level advice that can only be provided by professionals active in their respective markets, something we have always prided ourselves on and will continue to do so long after I have left the firm!

...and finally, what are your key professional and personal memories from your time at Kinney Green?

On a professional level I recall assisting in the purchase of Blackfriars House from M&G in 1996. The building was listed and compromised by low ceiling heights and occupied by lawyers Clifford Chance whose lease was coming to an end.

We agreed a purchase and early surrender of the Clifford Chance lease and a forward sale to Intercontinental Hotel Group as a new Crowne Plaza hotel.

Kinney Green have always sought to balance work and play with high spirits on trains, planes, boats, automobiles and ski trips. The annual firm day out is always a source of memorable moments, missing the easyJet flight back to London from lunch in Dublin was a particular drama.

At least two marriages have resulted from Kinney Green liaisons so happy memories for many! ■

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Property Race Day- Ascot July 2019

Despite being the oldest participant by some 16 years, at 56 years' of age, our Midtown Agency Partner Neil Warwick took part in this year's Property Charity Day in July.

The event was held at Ascot on the famous "straight mile" and the field comprised 11 property professionals who had made the grade by passing the stringent jockey fitness test and managed to source an eligible racehorse. Neil, who plays polo off a reasonable 0-goal handicap but has never raced before said, "Despite four months of hard training and smashing the jockey fitness test with 83%, I still had no idea how physically demanding it would be to ride a mile, flat out, on a racehorse and was delighted to finish albeit halfway down the field".

Will he ride again in two years' when the event is next held? "I might leave it to the younger generation next time and revert to my natural habitat and cheer them on from the champagne bar". ■



Dentix - Bexleyheath

Kinney Green are selling a prime town centre healthcare investment in Bexleyheath, London for a private client.

The investment benefits from nine years of secure rental income from Dentix UK Ltd, who are a dental services company with over 280 clinics worldwide. ■

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Care UK - Chichester

Kinney Green recently acted for Mayfair Capital on the Forward Funding of a new 75 bed high specification care home in Chichester.

The lease provides 30 years of secure income with annual RPI reviews (1% and 4%). The funding was marketed at £18,830,000, reflecting a NIY of 4.5%. ■

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STOP PRESS

Many congratulations to James Hogg of our West End Investment and Office Agency department for being awarded a First Class Honours degree in Real Estate Management from the University College of Estate Management. James has been studying for this for the past five years concurrently with full time work.

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