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Headline: Uncertain Market Forces Tactical Change



Industrial property firm Gent Visick is celebrating its fifth birthday.

Lizzie Murphy spoke to founder

Rupert Visick about the dramatic

changes he has seen since it began.

TURN back the clock to 2003, and the commercial property market was booming.

Grand regeneration plans were in the pipeline for towns and cities across Yorkshire, and banks were falling over themselves to throw money at new buildings.

Fast forward five years and the situation could not be more different.

Speaking on Gent Visick's fifth birthday, Rupert Visick, who founded the business with Andrew Gent, said that the company had had to adapt to the changing market.

Fostering relationships in the economic downturn is the key to surviving in the future, he said. "We are easing back on the investment approach because that market doesn't exist any more," he said. "Instead, we are looking at it from an occupational point of view.

"The ability to step back from a deal and foster a good relationship with the landlord is the key to getting the deals done at the moment. If you upset him now with an aggressive approach, then he will not be keen to help in the future."

The Leeds firm has handled large schemes in the region, including the two million sq ft Redhouse Interchange, at Doncaster, and the Capitol Park scheme, at Thorne.

Mr Visick said: "The main challenge we are facing as a company, along with other people, is the issue of uncertainty. Everyone is waiting for the bottom of the market. Nobody

GENT VISICK

Gent Visick is Yorkshire's only industrial property specialist and acts on many large schemes in the region.

Working with property developers, investors, corporate advisers occupiers, the firm carries out initial feasibility studies through to acquisitions, sales and lettings.

The company, which employs five people, was formed in October 2003 by Andrew Gent, previously associate director at DTZ Debenham Tie Leung, and Rupert Visick, formerly national director of industrial at Jones Lang LaSalle.

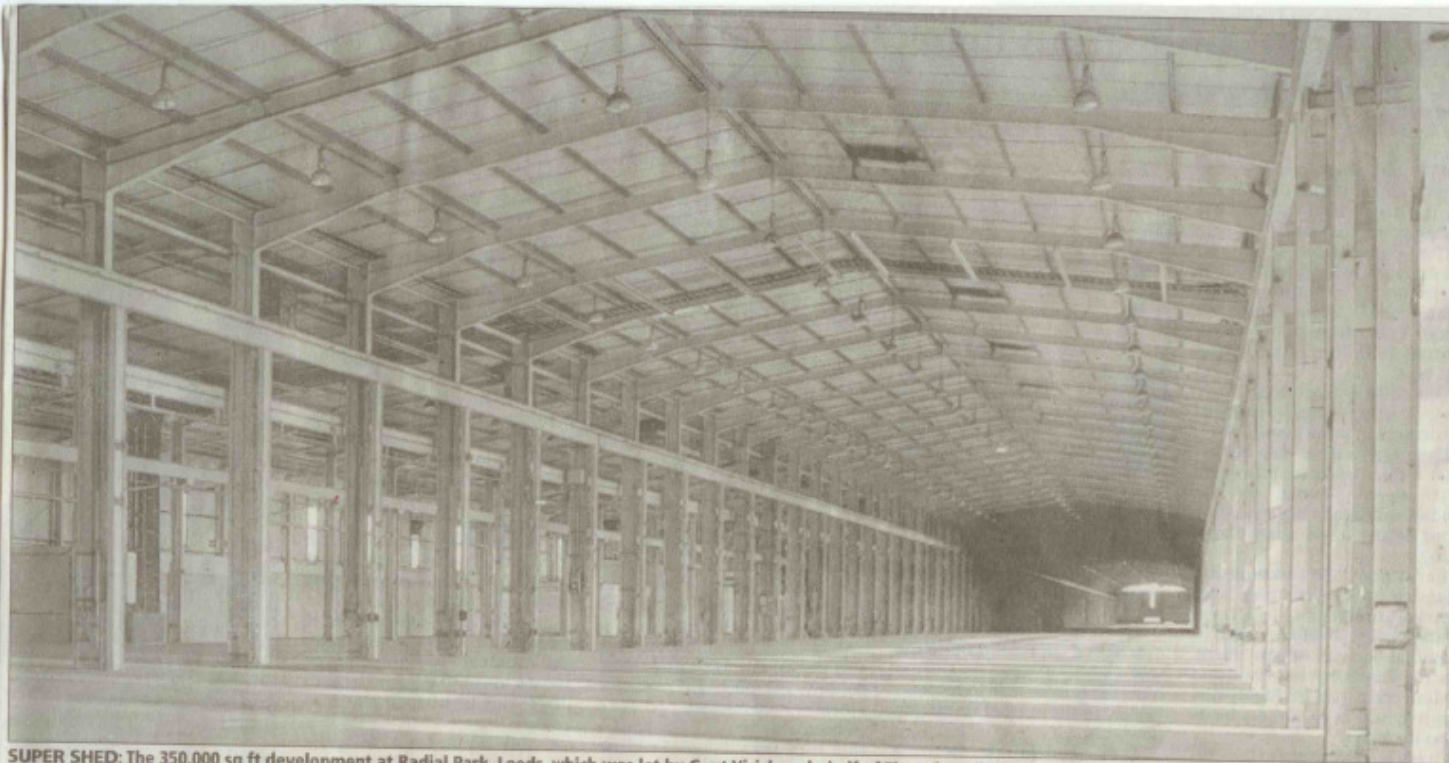
It has worked on some of the region's key industrial schemes, including Redhouse Interchange in Doncaster and Capitol Park in Goole and Thorne.

wants to buy if there is a greater fall to happen."

For the majority of the last five years, funding was readily available from organisations keen to invest in speculative developments.

But that is no longer the case as sources of funding have all but dried up and there is now a real scarcity of new developments in the pipeline.

He added: "There is still a reasonably strong occupational demand out there, and healthy deals going through at the



SUPER SHED: The 350,000 sq ft development at Radial Park, Leeds, which was let by Gent Visick on behalf of Threadneedle Property Investments.



ADAPTING TO MARKET:
Rupert Visick of Gent Visick.

moment, but people are leasing rather than buying space.

"The perception by occupiers that landlords will roll over and therefore there are ludicrous deals to be had is a flawed one. It's not as much of a buyers' market as it is perceived to be because the finance isn't available."

He said: "We need banks to start lending again because there are some cracking bargains out there. It's reasonably certain that the Monetary Policy Committee will reduce interest rates but it's how that will flow into the system that's important."

Recent changes to government legislation have also had an effect on the property market. In

the last year, Energy Performance Certificates (EPCs) have become compulsory for all buildings sold or let.

The certificates, which rate buildings on their energy efficiency, must be obtained by the property owners before any building is marketed.

Mr Visick said: "Going forward, I think EPCs will be a precursor to energy tax. The Government is going to say you need to make the building more efficient and if you don't, we'll penalise you."

Since April this year, the Government has also removed empty rates relief on industrial properties. For property owners with vacant premises, this rep-

resents a significant increase in their liability, and frequently rental transactions are being entered into at lower rates to try to minimise the effects of the new legislation.

Mr Visick said: "Combined with empty property rates, EPCs are a double-whammy for older sheds which aren't built to a modern specification and won't have a good energy rating."

"If there was an impact of EPCs coming in then demolition will be one of them and there are already some instances of people looking to demolish their buildings."

Back in 2003, the market saw the rise of "super sheds" in the Yorkshire region, with a notice-

able trend for supermarkets and retailers requiring industrial buildings of more than 300,000 sq ft as storage and distribution hubs.

However, Mr Visick said the trend has not translated into ongoing demand, and there has been a levelling-off now that the initial take-up has been satisfied.

Looking to the future, he said: "The outlook is probably not as bleak as some commentators would have us believe, but for a property consultancy such as ours to continue to do well and thrive over the next five years, there's a need to adapt to the changing market and actively seek out opportunities."

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