



property MATTERS

Business Rates Unoccupied Property

by Scott Strachan

From 1 April 2016, there will be further reductions in the extent of business rates relief available to owners and tenants of empty commercial properties.

In April 2013, the standard business rates charge for vacant properties was increased from 50% to 90% of the full occupied rate, however, all properties enjoyed a 3 month period of 100% relief and all industrial properties were fully exempt from payment of empty property rates.

As from 1 April this year, there will be a further squeeze on empty property owners with the first 3 months' relief for most property types being cut from 100% to 50% and the exemption for industrial properties being lifted – these too will now be charged at 90% of the full occupied rate after

an initial 6 month period when 100% relief will still be granted. These changes could have serious implications for older, difficult-to-let industrial stock where, in some cases, limited rental income may be outweighed by the business rates liability on vacant areas. In these circumstances, landlords may be forced to consider demolition.

On a more positive note, two less well known reliefs, Fresh Start Relief and New Start Relief, which were introduced in April 2013 for a limited period of 3 years, have both been extended for at least a further year. Fresh Start Relief provides new occupiers of shops and offices with rateable values up to £65,000 and which have been vacant for at least 12 months with 50% relief for the first year of occupation. This aims to help bring long-term vacant properties back into use.

New Start Relief is aimed at property owners who have completed new developments which remain vacant for some time after they have been assessed for business rates – up to 15 months of 100% relief can be granted in these circumstances.

For more information contact Scott Strachan on scott.strachan@fgburnett.co.uk



Message from our new MD...

My contribution to Property Matters has in the past generally related to what we have been doing in the dynamic world of retail property be that High Street, Shopping Centre or Out of Town agency and topical issues involving rent reviews and third party Arbitrator / Independent Expert work.

That will continue to be my focus from a fee earning perspective - having done that for the best part of 30 years I could not give it up!

From 1st May 2016 I have taken on the role of Managing Director at FG Burnett and I expect that will be the pinnacle of my career - I feel privileged to hold that position and will, to the best of my ability, lead from the front supporting all my colleagues within the business with the goal of providing a first class service to our loyal, valued client base.

I take on the role from Angus MacCuish; we go back over 30 years so I know that I have a hard act to follow. I would like to thank Angus

on behalf of all the FG Burnett team for the course he has charted for this business over the last 30 years or so. I am pleased to say that Angus will be taking up a consultancy role with FGB.

I am delighted to announce that Jim Johnstone, our Head of Building Consultancy joined the Board on 1st May 2016. Jim has been with the business for 16 years having joined as a graduate surveyor - Congratulations Jim!

I can confirm a further key appointment with Graeme Nisbet joining the FGB team as a Director. Graeme brings significant experience to the Company and will be working in the agency team focussing on office property and development work.

Our local market in Aberdeen is challenging yet we remain very busy across all departments. The experience of our team allows us to guide clients through turbulent times with measured and considered advice

as opposed to knee jerk, short term solutions.

We remain active at a national level having recently secured agency work at Straiton Retail Park (phase 2) in Edinburgh and Springkerse Retail Park (phase 2) Stirling, illustrating our influence in the wider Scottish market. We enjoy getting involved in new projects where we can challenge existing thinking, use our industry contacts to examine all the angles and add value.

So, as I stray inevitably onto the retail market I will draw a line under these, my first opening comments as Managing Director, and let you enjoy this latest edition of Property Matters.

In closing I would like to thank all our clients for your continued support. It means a lot.

Richard J. Noble
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FG Burnett

50 Years On

by Angus MacCuish
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This photograph speaks for itself, showing FG Burnett founder Frank Burnett greeting Shell executives at Aberdeen Airport on their visit to the granite city in 1966 to discuss the potential for North Sea exploration. It heralds the beginning of FG Burnett's 50 year relationship with one of the world's biggest industries. The North Sea Energy Market has had a significant impact on the economy of the UK, and especially the North East of Scotland. It is hard to imagine a life without it or indeed the shape of Aberdeen had the energy sector not come calling. FG Burnett's connection with the energy sector has grown exponentially since then, working alongside operators and the extensive service sector to deliver property solutions.

Back then a gallon of petrol cost the equivalent of 21p per gallon, today's price is around £4.70. A three bedroom semi detached bungalow in Airyhall could be bought for £4,000. Today you'll not get much change out of £300,000. FG Burnett's turnover in 1966 was of the order of £10,000!

What are the landmark events during this half century? We've seen major headquarters spring up across the

city, with the specification ramping up considerably over the years; in parallel with the rest of the developed world, covered malls are the focal point for so much of the shopping spend, to the detriment of the traditional thoroughfares. Industrial estates are now dotted around the city and many thousands of acres of former agricultural land accommodate a wide range of housing.

As reliance on the quarrying of granite, cloth manufacture and fishing to name but a few hitherto major industries has waned, so the energy sector has shaped not only the physical landscape but also the hearts and mind-set of the people. Aberdeen is now very much an international city, yet it retains a discernible measure of couthiness which keeps feet on the ground.

What can we expect going forward? Where will the oil price be this time next year? Current level maintained or will those who predict \$60 or above be proven correct? Who knows. As a high value commodity the only thing we can predict with any measure of certainty based on experience is that there will be peaks and troughs. Beyond that, I'm not prepared to put my head above the parapet.

What are the opportunities going forward? Will both Aberdeen and Aberdeenshire Councils achieve their aspirations in terms of housing units built? Will the two universities retain their independence? When will the pendulum swing towards decommissioning rather than drilling?

It is clear that those who understand the energy sector still see through the haar and know that we will come out the other side. It is not the first time the price has fallen in the past 50 years, and it's unlikely to be last. There continues to be investment activity and deals within the market, the AWPR will be a significant benefit to the city and shire, and of course our skyline continues to change with many new developments underway in the City Centre.

I think that I can say with confidence that no one would have forecast the scale of change experienced in the North East when the photo was shot, after all the prediction in the 1980s was that the industry would not be in existence at the millennium. Against this backdrop who knows what the next 50 will bring....



Far left is Mr F.G. Burnett, then from Shell (left to right) are -
Mr R. Messant, Mr C. R. Kidd, Mr H. B. McDowell, and Mr P. Spencer.

FG Burnett Team News...

Welcome

FG Burnett is delighted to welcome Graeme Nisbet to the team. Graeme joins us as a Director and brings two decades of experience within the property market. Based in our agency department Graeme's focus will be on offices and development work.



Head of Agency

Further internal reorganisation sees Graeme Watt take on the position of Head of Agency.

A dedicated industrial property specialist, Graeme has been a senior member of the agency and wider FG Burnett team for more than 20

years. In addition to continuing in his principal role as one of the leading industrial property consultants in the North East of Scotland, he will head the newly enhanced agency section providing strategic advice and direction.



Congratulations

Congratulations is in order to FG Burnett Director Jim Johnstone, who has recently been appointed to the Board. Jim joined FG Burnett in 2000 as a graduate surveyor and through hard work, passion and delivery of first class client service he has steadily climbed the ranks. Jim's progression within the company is also a reflection on FG Burnett's commitment to nurturing talent, which Jim is now doing with his building consultancy team.

Principal Designer...

Our Building Consultancy Team has undertaken additional training in "The role of the Principal Designer under CDM 2015". Department Director Jim Johnstone and Associate Stuart Fyvie; both previously accredited CDM Co-ordinators, undertook the training over the 9-10th April 2016.

CDM 2015 replaced the 2007 Regulations and came into effect as of 6th April 2015 making the previous regulations obsolete upon completion of the transitional period ending on 6th October 2015. The new regulations also saw the introduction of a new duty holder - the Principal Designer.

The Principal Designer holds the key responsibility for ensuring the pre-construction phase of a project is planned and managed to ensure the

health, safety and welfare of those involved or affected by the project. This role should be appointed as early as possible in the project, ideally at concept stage when the client is considering project protocol, and when procurement routes are determined.

CDM 2015 applies to all construction work or work to a structure, including; new build, renovation, refurbishment, extensions, conversions, demolition, dismantling, repair and maintenance, and will impact on any person or organisation who is involved in any associated design work.

As well as introducing the new role of Principal Designer the CDM regulations 2015 also imposes significant duties on clients

(including the introduction of the Domestic Client) to ensure sufficient time, resources and information is prepared and passed for each project.

Clients need to be aware of the duties they are taking on and that the regulations cover almost all considerable construction work. It is therefore always best to discuss the intricacies of any project with suitably qualified persons to ensure the correct advice is received in terms of the CDM Regulations 2015.

For further advice please contact Jim Johnstone
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or Stuart Fyvie
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Team Spotlight

This month we focus the spotlight on Senior Surveyor Moira Gordon and chat to her about her role at FG Burnett Aberdeen:

Time passes but some things just stay the same!

An old FG Burnett corporate brochure bore the legend "it's the people that count!" Whether grammatically correct or not, has been much discussed but never has the mantra been more pertinent than the challenging times of today. Led by Graeme Watt, the industrial team of FG Burnett's agency department continues to be active across the broad spectrum of shed work and is now pleased to welcome Moira Gordon to complement and enhance the offer to clients.

Name: Moira Gordon

Position: Senior Surveyor

Division: Agency - Industrial

How did you get here? (What did you do at uni / did you always want to work in property?)

Indirectly. Having completed an architecture course, I was just about accredited when I realised that I was more interested in the overall asset and how property 'worked' so enrolled in the Property course in Aberdeen University, and here I am. As a result, the build up to being a chartered surveyor took 10 years as oppose to the normal 6 years. The net effect is that I have got a wider knowledge of construction, how a building goes up and building fabric. My parents are significantly more out of pocket than necessary, however they are probably just relieved that my main goal in life is no longer just to marry Robbie Williams.

What are the main responsibilities of your role?

My role is varied but, generally, what I do is professionally advise clients with a view of getting them to their end goal, whatever that may be; acquisition/disposal of an asset, asset management including lease renewals, regears and rent reviews.

Tell us something about your job that you think we wouldn't already know.

Most people think that surveyors are just letting agents. We are property experts who can advise on most matters to do with property assets throughout the course of a development life-cycle. So, our professional scope is very wide and our expertise is broad; it has to be, in order for us to be effective and great at what we do.

What is the best things about working in industrial agency?

Same thing as in general property, diversity of product, location, people; no day is the same.

What is the most interesting property you've worked on?

The quirky properties are the most challenging and interesting ones. I have been in questionable situations, one of which comes to mind, where I found myself knee deep in meat slime, in the middle of a property, concentrating on not falling onto said slime, surrounded by aromas; the specific smells I have since blocked from memory. All said, not a high point, but a good example of getting a look behind the scenes in places the

average person can't visit. In a similar vein, I recently inspected my, now defunct, students union which was really enjoyable and perhaps a better (less smelly) example of getting behind the scenes at an unusual property.

What advice would you give to someone who is looking for a career in commercial property?

Given my last answer, take a pair of sturdy welly boots on every inspection, just in case!

The best piece of advice by far is get as much practical experience as you can before you are expected to. No book or lecture can prepare you as well as getting into the office. Next best bit of advice is that there is no such thing as a stupid question. I pride myself of asking 'stupid' questions on a regular basis.



Aberdeen Grammar World Challenge Expedition

FG Burnett and a variety of our clients and friends were delighted to sponsor a Race Night that pupils of Aberdeen Grammar organised recently. 40 pupils are travelling to Vietnam and Cambodia for a month this summer on a World Challenge Expedition - this will focus on local charity work, followed by a week trekking in the jungle, finishing with a few well-earned days on the beach!

Dave Macleod's son Lachie and three of his pals organised the Race Night,

which raised a fantastic total of £5,500, a significant amount towards their individual fund raising targets of £4,000. FG Burnett clients were exceptionally generous and the boys were very grateful for the support. Special thanks to our clients and friends : Dandara ; GSS Developments ; Jamieson & Carry ; The Marcliffe ; G&J Investments ; Aberdeen Football Club ; Nairn Golf Club ; Esson Properties ; Norward Properties ; No 10 and James Dun House.



Abiding by

by Christopher Yannaghas
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An exploration
of the RICS Code
of Practice on
Service Charges
for Commercial
Properties



the code...

Many businesses occupy premises where a service charge is levied to meet the cost of common goods and services. These services could involve cleaning of common areas, security, maintenance of fire safety apparatus, maintenance of the soft landscaping and so on.

Commercial leases in multi-let properties will have provisions for the recovery of service charge and well drafted leases will go into the detail of how service charges are collected, what they are for and how they are to be administered. Although this service charge could be organised collectively by the occupiers themselves, it is more common to find the service charge administered by a Landlord or Managing Agents for the property. It is not difficult to appreciate that sometimes this arrangement can lead to disputes between the various parties.

In addition to this, compared to rent and rates which are normally fixed and do not change typically out of a five year cycle, service charges could fluctuate from year to year and by their nature see peaks and troughs in expenditure making it difficult for occupiers to accurately budget for.

Against this background the Royal Institution of Chartered Surveyors (RICS) published their Code of Practice from Service Charges in Commercial Property. The Code is currently in its third edition. Although the Code is a guidance note and not a mandatory practice statement or international standard,

the RICS have indicated that this is the recommended framework for the operation of service charges. Nonetheless is very important to note from the outset that the terms of the lease remain paramount and the lease itself will always be the overriding document, something that The Code itself recognises.

The aims of the Code of Practice are fourfold:

- **To improve general standards and promote best practice, uniformity, fairness, and transparency in the management and administration of service charges in commercial property.**
- **Ensure that budgets and year end accounts are sent out without undue delay.**
- **To try and reduce the causes of disputes and to give a framework on the resolution of disputes should they arise.**
- **Provides guidance to Landlords and their legal advisors when negotiating and drafting new leases and in the operation of existing leases.**

The Code does this by setting out recommended best practice and going into more detail of the mechanics of operating a service charge. Supporting this are a number of appendices giving templates, checklists, and industry standard classifications.

Initially the early editions of the Code were very prescriptive in the way that it directed Property Managers in the operation of service charges. The third edition is drafted with more

discretionary language with emphasis on recommending good practice and advising the Property Manager to consider various points rather than making it mandatory to do so.

The RICS has advised that the Third Edition was a response to industry feedback and consultation and also reflects discussions with other professional bodies involved in the service charge process. Overall, it represents a continuation in the evolution of best practice. This would not rule out further revisions of The Code so that it remains a relevant and up to date standard for property practitioners dealing with service charges.

If you would like to discuss the operation of a property's service charge in general or how the Code of Practice could apply then please contact either Christopher Yannaghas on 01224 597510, Bryan Robson on 01224 597513 or Simon Smith on 01224 597508.



Section 63, Climate Change (Scotland) Act 2009

Energy Performance Certificates are now a familiar sight in the Property Industry but while these have been required for most of the last decade it has never previously been a legal requirement to improve the energy performance of a building. That is all set to change for a large number of non-domestic buildings of over 1,000sqm that are offered on the market for sale or lease. Whilst this has been a topic of conversation for a number of years within the Scottish Government, proposals are now in place for new regulations. Section 63 of the Climate Change (Scotland) Act 2009, is expected to come into effect from September 2016.

Alongside an EPC, the new regulations will introduce a further assessment to identify targets for improving buildings' carbon and energy performance, and an 'Action Plan', prepared as part of the assessment, will propose physical improvements that can be undertaken to achieve these targets. These improvement works will contribute towards the Scottish Government's commitment to reduce energy emissions relating to buildings by 42% by 2020 and 80% by 2050.

Following the production of the Action Plan, the owner will have the option to undertake the works within 3.5 years, or instead may agree to defer action by monitoring and reporting on the building's operational energy ratings through a Display Energy Certificate (DEC).

This may not automatically prevent the works from having to be undertaken but may only defer the need for implementation.

There are circumstances where the specified buildings may not require implementation of the regulations, for example where they currently meet the 2002 building regulations' energy standards, or those already being improved via the Green Deal. However, it is widely expected that the specified floor area is likely to be reduced from 1000sqm to 500sqm and eventually to 250sqm in terms of public buildings.

The onus of these regulations will be placed on the existing/proposed owner or landlord; an important detail that could lead the way to some very interesting disputes in terms of transactions and commercial repairing leases, watch this space!

In the meantime, FG Burnett's Building Consultancy Department will be undertaking essential statutory training in preparation for the regulations coming into force and will be on hand for any advice and implementation going forward.

For more information contact [lona.foubister](mailto:lona.foubister@fgburnett.co.uk) or [David McCurdy](mailto:david.mccurdy@fgburnett.co.uk)
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St Joseph's R.C. School, Queens Road

By **Dave MacLeod**
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The end of an era but also a very exciting future.

FG Burnett were delighted to act on behalf of The Society of The Sacred Heart during the recent £12.75 Million sale of St Joseph's R.C. School to Aberdeen City Council.

St Joseph's was founded in 1895 and is one of Aberdeen's most popular primary schools. Aberdeen City Council leased the property from The Society and it was agreed by both parties that the future of the school on the Queens Road site would be best served by a sale

to the Council. The future of the school was of paramount importance to The Society and Councillor Martin Greig, who represents the area, said that the facility was "much loved and highly respected". Councillor Jennifer Stewart, who also represents the area, said "St Joseph's is a popular school with an excellent reputation. The purchase of the building enables the school to continue its high quality work in educating and caring for young people."

FG Burnett has acted for The Society for a long time and The Society has owned the property since 1895.

Dave MacLeod advised The Society throughout a long and extremely sensitive negotiation and said "This was a transaction that was about far more than a property deal - everybody was delighted with the outcome and St Joseph's will continue to thrive in this prime West End location."



Berryden Corridor

by Keith Petrie
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It would be difficult for anyone who has been living in Aberdeen and its surrounding areas over the past year not to be aware that the AWPR/Fastlink/Balmedie-Tipperty Road Scheme is underway as it is one of the largest construction projects ongoing within Scotland. In addition, The Third Don Crossing Project at Danestone and Tillydrone is nearing completion and should be operational by summer 2016.

The next major scheme for the city; Aberdeen City Council's Berryden Corridor Project, is gathering pace – details of which can be found on the City Council's website under the heading of "Berryden Corridor – Aberdeen City Council". Proposals for the Berryden Corridor have been mooted for at least the last 25 years but in early 2015 the City Council approved the budget to progress the scheme to a detailed design stage as well as the compulsory acquisition of the relevant lands and buildings to undertake the construction of the scheme. The City Council's Roads Department is at the final stages of the detailed design of this scheme and is also in the process of identifying all the relevant affected owners and occupiers by way of title investigation work. It is understood that the final design plans should

be completed by late spring 2016 and soon thereafter they will be presented to the City Council for approval allied with the promotion of a draft Compulsory Purchase Order to acquire the relevant lands and buildings. Thus, the City Council is likely to be contacting those parties directly affected by this scheme within the next few months.

The scheme is to be undertaken in two separate phases with the first and major phase being undertaken from 2017 until late 2019 and would involve the dualling of the existing road layout from the roundabout at Skene Square/Maberly Street/Rosemount Place all the way along Berryden Road, leading onto Great Northern Road and finishing at the roundabout at St Machar Drive. The second phase would be northwards from the St Machar Drive roundabout to the junction on Great Northern Road and Don Street.

It is inevitable that these proposals will be a cause of concern to both those directly affected who will have either all or part of their property compulsorily acquired and those indirectly affected whose property will lie adjacent or close to the scheme of works but where no land is compulsorily purchased. In either

scenario, a claim for compensation may exist but how and when it is calculated and paid is radically different. In addition, some directly affected residential owner-occupiers may be able to serve a Blight Notice on the City Council but strict criteria apply in order to ensure that such a notice is valid.

Accordingly, it is recommended that if a property owner is concerned with these proposals or receives formal communication from Aberdeen City Council with regard to the acquisition of part or all of their property, then relevant professional advice should be sought. It should be noted that where there is a legitimate compensation claim then all reasonable professional fees incurred with its assessment, negotiation and finalisation are payable by Aberdeen City Council.

FG Burnett has represented many land and property owners who have been affected by all the major public work schemes undertaken in Aberdeen and North-East Scotland since the 1970s. Keith Petrie FRICS at FG Burnett has handled the vast majority of these cases and has built 35 years of experience in dealing with Compulsory Purchase Orders and compensation claims in the area.

The Silver Fin Building

By Jonathan Nesbitt jonathan.nesbitt@fgburnett.co.uk

Exciting to see The Silver Fin Building really taking shape. The development is due to complete March 2017.

The Silver Fin Building offers 9 floors of exceptional open plan office space and is a highly sustainable, Grade 'A' development in the heart of Aberdeen's City Centre.

The building also has a dramatic four storey reception, with the entrance lobby incorporating Aberdeen's premier business lounge. The lounge will contain meeting areas, WI-FI access and refreshment facilities, available to all occupiers and their guests.

For more information go to www.silverfinbuilding.com



Retail Property Focus

Orchard Street win for FG Burnett

We are delighted to have secured new mandates to provide agency advice at 4 developments for Orchard Street Investment Management. This sees us becoming involved at Westhill Shopping Centre, Aberdeen, where a recent development has seen the arrival of Costa and Home Bargains together with the upsizing of Lloyds Chemist.

Also included is Straiton Retail Park, Phase 2, a scheme providing 100,000 sq ft of retail warehouse accommodation where occupiers include TK Maxx, Laura Ashley, Dunelm and Home Bargains. FGB also become involved at Centrepont Retail Park in Aberdeen, a well located development where occupiers include

Toys R Us, Mecca and Poundland. The asset is located adjacent to a Sainsburys supermarket and Berryden retail park where occupiers include Next, Mothercare and Currys.

Springkerse Retail Park, Phase 2, Stirling, provides accommodation of 76,500 sq ft where occupiers include Currys, SCS and Homebase.

Richard Noble at FGB commented "We are delighted to have been appointed on these assets by Orchard Street, and look forward to delivering for them, ensuring these retail destinations continue to satisfy retailer requirements and shopper demands going forward."



George Street proves to be a Magnet...

We are delighted to have let a unit at 139 George Street, Aberdeen, to kitchen and bathroom multiple Magnet. This corner unit directly opposite the Granite City's John Lewis store will provide the tenant with 2,150 sq ft of accommodation. Magnet have taken a 10 year lease. David Henderson of FGB acted for landlord BMO Real Estate in the letting.



Hill of Banchory Neighbourhood Scheme secures Planning Permission.

North Banchory Company Limited has secured planning consent for their proposed neighbourhood scheme at Hill of Banchory. As Property Matters goes to press negotiations are at an advanced stage with an anchor convenience store operator. In addition there will be 7300 sq ft of space available to retail / office and takeaway / restaurant users together with customer car parking. Contact Richard Noble or David Henderson for further information.



Sallywags Childrenswear take new store on Schoolhill

Acting on behalf of BMO Real Estate FGB have let a prime retail unit at 2 Schoolhill, Aberdeen to premium childrenswear retailer Sallywags. The unit provides 900 sq ft at ground and basement levels and is located adjacent to the main Bon Accord Centre entrance and opposite St Nicholas Centre. Sallywags also trades from a unit in Peterhead.



Exciting addition to Aberdeen's retail line up announced.

National retailer Oliver Bonas who currently trade from 54 stores including Glasgow and Edinburgh have secured prime retail premises in the City Centre from Esson Properties represented by FG Burnett.

The fashion, accessories and homewares retailer has taken a lease of 46/52 Schoolhill close to the Boots entrance to Bon Accord Centre and

adjacent to Back Wynd where quality operators including AGA, Rohan and White Stuff are already represented.

Richard Noble commented *“Securing Oliver Bonas as a tenant for our clients is a real coup, they will add so much to this strong retail location with a number of quality niche occupiers already in situ. We wish them well.”*



The Entertainer lands in Dundee

Toy retailer The Entertainer has secured a unit in Wellgate Shopping Centre Dundee. This is the multiples first store in the City. The unit close to the main entrance from Murraygate provides 4,500 sq ft of accommodation.

In addition Pavers have taken a store directly opposite providing 2,800 sq ft for the shoe retailer.

FGB acted for the landlord in relation to both lettings. There are further opportunities in the Shopping Centre and interested parties should contact Richard Noble or David Henderson.

Aberdeen 461 Union Street

We are pleased to be marketing this fantastic opportunity next door to 207,000 sq.ft of brand new grade A offices (The Capitol and The Silver Fin Office Buildings). The Capitol development is now available and The Silver Fin Building is due to complete in March 2017.

The site offers new accommodation behind an existing building providing 4,000 sq.ft of open plan accommodation on two levels.

In close proximity to Aberdeen's West End office area and also with a link to Justice Mill Lane where the IQ office building (125,000 sq.ft), Park Inn and Premier Inn hotels are situated this is a rare opportunity.

The unit is available on a pre let basis

for a minimum period of 15 years on FRI terms and including 5 yearly rent reviews. Rent upon application.

For more information on 461 Union Street contact Richard Noble on 01224 597528.



The Value of Valuations

FG Burnett has one of the most active commercial valuation departments in Aberdeen and our day to day instructions tend to be commercial offices, retail units, industrial facilities and development land in Aberdeen and the North of Scotland. We also specialise in valuations for accounts purposes (including componentisation), health care facilities and compulsory purchase.

Our workload comes from a variety of clients, including the major lenders, healthcare trusts, educational institutions, corporate clients and private clients/pension trusts. Our team has valued property throughout the North of Scotland and the Highlands and Islands. We have 5 RICS Chartered Surveyors, who are all RICS Registered Valuers and we liaise very closely with our agency and investment colleagues - there is absolutely no substitute for their expert knowledge and market intelligence. Analysing deals accurately is fundamental to our valuation work and our database of market transactions is invaluable.

The firm is committed to providing a best in class service - staff training and market leading valuation software enables our valuers to deal with the variety of work that we see on a regular basis.

Bank valuations, private client work and valuations for accounts purposes are led by Derek Richardson and Keith Petrie is our expert in specialist healthcare and compulsory purchase valuations. Keith has advised many of the owners affected by the AWPR and the Third Don crossing.

Valuations

There are various basis of valuation and methods employed to assess value. To provide a Market Value for a standard office, retail or

industrial unit we would value using a comparative/investment method taking into consideration current market trends, demand, comparable lettings & sales, the properties own specific characteristics (condition, specification, location etc) as well as holding costs. Were the property already held as an investment we would also have consideration to the occupational lease and the financial strength of the tenant. Development land is normally valued using the residual method, whereby the potential end value is assessed and all development costs, marketing costs and developers profit are deducted to arrive at a site value.

All valuation reports produced by the firm are in accordance with the RICS Valuation - Professional Standards (January 2014 edition) incorporating IVSC International Valuation Standards. Our reports explain how a valuation figure has been calculated in order that clients can understand our rationale.

In addition to critical property, location and valuation factors, our valuation reports also note the property's strengths/weaknesses, asset management concerns/opportunities, alternative uses/development opportunities and a specific market analysis.

Recent Changes

Other than Fair Value now being used for accounts valuations, the basis and methods of valuation have not changed much over the last few years. However, changes in the property market and legislation have an impact on values and how we report.

Over the last few years there has been the introduction of the Energy Act 2011 and Energy Performance Certificates (EPCs), Land and Buildings Transaction Tax (LBTT) replacing Stamp Duty Land Tax, International Property Measurement Standards (IPMS) and changes to Empty Property Relief on industrial properties. These all have an impact on value and how we report.

To find out more about our valuations services contact Derek Richardson derek.richardson@fgburnett.co.uk



We hope you enjoyed the latest edition of Property Matters and we would love to hear your thoughts or suggestions for future articles. At FG Burnett we are passionate about sharing our knowledge and are always keen to learn more so if you would be interested in joining our business to business knowledge sharing CPD programme then please get in touch.

Contact: Jacqueline Speirs, Marketing Manager E: jacqueline.speirs@fgburnett.co.uk