



## Stratton & Holborow's St Mellion Office goes from strength to strength

Stratton & Holborow's new office continues along its successful path. Opened only last year in St Mellion, it responded to the growth in new business in that area. It now moves forward under the management of Richard Morris, who has taken the reins from January 2008.

Richard has been in the Exeter office for 5 years as a full director. His expertise extends across all areas of rural practice and reflects the demand in the Plymouth area. His move to this new role is an exciting and forward looking development for the firm and marks a new stage in its growth. For Richard, it means relocating to where he trained some 20 years ago and a return to his roots.

Following the successful launch of the office, Stratton & Holborow will be seeking to recruit additional staff to meet demand and build on its services.

## Brand Image - Looking Good

We should come clean and acknowledge that our corporate look hasn't been consistent in recent times. Though we've always been professional and hard-working on the inside, on the outside, cuffs and collars haven't always matched. Perhaps you'll have noticed, for example, that Stratton & Holborow logos, advertising headers and banners have at times varied across different media.

**Well, we've changed! And as part of our drive toward greater consistency of appearance, we've launched a new corporate image.**

Most organisations rebrand periodically and in doing so refresh the way they look. The process enables a re-examination of the way a business should like to be seen by, and appeal to, existing clients and potential new ones. It is a way of revisiting what it is that the business stands for and how those values are interpreted in terms of the services offered.

A change of dress does not necessarily indicate any fundamental change of character, however. Stratton & Holborow has a distinguished history and an excellent record of service and growth. We espouse traditional values, but we have to move with these rapidly changing times. We hope our new look might signal this as well as the modern professionalism that drives a strong multi-disciplinary firm of property experts.

It strikes us that in this new identity, we've dressed a bit according to the rules of the wedding day bride: here too, there is here something old, something new, something borrowed and something blue.

These signify continuity and success, the hope of continued support and loyalty - values that we would want to preserve as we embed the new look in our marketing communications and take Stratton & Holborow forward. 2007 marked the 10th year since the management buy-out that has helped to shape Stratton & Holborow's recent history.

Originally a Truro based partnership formed in 1960 between Geoffrey Holborow, then resident agent to the Williams family, and Richard Stratton, a land agent to the Duchy of Cornwall, the practice grew to include offices in Devon, Cornwall and the Isles of Scilly. In 1989 the firm merged with the commercial and residential practice of Taylor, Lane and Creber to become owned by TSB plc (latterly Lloyds TSB plc) and known as Stratton Creber. Following a review of policy, a management buy-out was agreed in 1997 which included all of the Rural and Building Surveying Divisions, together with the Commercial Surveying Division in Cornwall and elements of the Residential Agency and Residential Management Businesses. From October of 1997 the practice reverted to its former name of Stratton & Holborow. It now operates from offices in Truro, Exeter and St Mellion.

Our website is under review and we hope to relaunch this in the near future.

**We should welcome any (helpful!) comments from clients on our new branding. Do let us know what you think!**

**Phil Sara - Exeter Office**

# Energy Performance Certificates (EPCs)

It will soon become a LEGAL requirement for many buildings to have an Energy Performance Certificate. Will you need one?

An Energy Performance Certificate is a document that provides evidence as to how energy efficient a building is. It enables potential buyers or tenants to consider energy efficiency as part of their investment or business decision in buying or occupying that building.

For residential properties, they will form part of the newly introduced Home Information Pack (HIP) which is required for the sale of a residential property.

An EPC is only required for a building when constructed, sold or re-let. After October 1st, 2008 houses that are sold or re-let by their owners will need an EPC. There is no need to provide an EPC for an existing tenancy. They are valid for 10 years, so if a house is re-let or sold again within that time, there is no need to obtain a new EPC.

EPCs are to be phased in:

6 April 2008	EPCs required on completion of construction for all dwellings. EPCs required on completion of construction, sale, or re-letting of buildings other than dwellings with a floor area over 10,000 m2.
1 July 2008	EPCs required on completion of construction, sale or re-letting of buildings other than dwellings with a floor area over 2,500 m2.
1 October 2008	EPCs required on the sale or re-letting of all remaining dwellings EPCs required on the construction, sale or re-letting of all remaining buildings other than dwellings. This includes commercial and business premises.

It is the responsibility of the seller to make the EPC available (free of charge) to a prospective buyer or the landlord to the prospective tenant. This is done at the point at which prospective buyer or tenant shows an interest in the property.

Certain transactions would not amount to a sale or let to a new owner or tenant and would therefore not require an EPC. Examples would include:

- Lease renewals or extensions
- Compulsory purchase orders
- Lease surrenders.

## Buildings that Have Been Sub-divided

Where part of a building is to be sold or re-let, whether a dwelling or non dwelling, then an EPC is required for that part if it has been designed or altered so it can be used separately. Does the part have separate services? If so, it is likely to require its own EPC.

## Penalties for not having an EPC

The penalty for failing to make an EPC available to any prospective buyer or tenant when selling or letting non-dwellings is fixed, in most cases, at 12.5 per cent of the rateable value of the building, with a default penalty of £750 where the formula cannot be applied. A formula is used as the costs of producing an EPC for non-dwellings are expected to vary according to the size, complexity and use of the building.

## How do I get an EPC for a building?

EPCs are to be carried out by qualified and accredited Energy Assessors. RICS has been approved by the government to accredit assessment schemes for existing dwellings.

For further information, please speak to Charles Dixon at the Exeter office or Neil Sargent at the Truro office.

# Farms Subject to Tenancy Come on The Market

Stratton & Holborow has received instructions recently from landlords to sell farms that have been subject to 1986 Act Tenancies. What has motivated these instructions has been the low yield - in one or two cases less than 1% - relative to the land values.

Owners, by and large, are prepared to live with yields of 3 - 4 %, but where income represents such a small fraction of the freehold value, they clearly reappraise the value they place on the land's amenity. The opportunity cost of this becomes sufficient to persuade against continued ownership. The problem is that rental yields are now disproportionately out of kilter with land prices, which have risen sharply in recent years. Poor agricultural returns, particularly for sheep and beef farmers, has created pressure to keep rents down.

To illustrate: a farm worth £1.5 million with vacant possession producing a rent of £8,000 per annum under a protected tenancy

could realise a sale value to an investor or tenant of over £800,000. With Landlords typically liable for repair and insurance, the true yield is probably close to 0.5%. £800,000 invested in the bank at 6% will get you £48,000 in interest. Couple this with the changes in the Capital Gains Tax regulations in April of this year, it is not surprising that the decision to sell has been made by a number of owners.

Stratton & Holborow still has a list of a number of disappointed investors, who were unsuccessful at the last sale should you be thinking of realising such an investment.

**Peter Thomas - Exeter office**

## Commercial Demand Weakens

The RICS Commercial Quarterly Property Survey for the fourth quarter 2007 reported a fall in demand for commercial property generally across the country from tenants and investors as well as the first decline in enquiries in over 2 years.

The turmoil in the financial markets is already having a significant impact, and without an assurance of funding liquidity, all parts of the property market will slow significantly.

The suspension of lending by major off-high street lender, Commercial First is already felt to have had an impact on transactions, and the nervousness of some lenders and reduction in loan to value levels will reduce the ability of many businesses and investors to expand or acquire more property.

However, it is not all doom and gloom. We are in contact with several cash-rich investment and development companies who see the current market producing significant buying opportunities, albeit, perhaps, at keener prices than last year.

Perhaps the difference with the South West is that there are many micro economies and markets and whilst retail demand has probably dropped across the region, demand for offices and B1 business space remains very competitive in centres such as Truro and Exeter.

The key question is how long is the credit crunch and difficulties in the financial markets likely to last? And whether we will experience a gradual decline over an extended period or whether stability will return after a short while?

Experience and intimate knowledge of the market place are important factors that a client should seek from professional advisors, both of which Stratton & Holborow is able to offer to its clients.

**Neil Sargent - Truro Office**



## The Market for Woodlands

The market for manageable size parcels of woodland is a difficult one to plot accurately since relatively few come up for sale. When they do, however, they usually generate a good deal of interest among private buyers and commercial investors alike.

### **So why is good quality woodland so sought after?**

For the private buyer, woodland offers something tangible in which to invest. Ownership confers its own enjoyment enhanced by amenity uses such as recreation, habitat and conservation interests in addition to the all-important supply of logs for the home hearth. A recognition of amenity value of land has been a significant force pushing up prices in recent times, and parcels measurable in tens rather than hundreds of acres are more attractive to a wider range of buyers.

### **Woodland also presents the owner with possible tax breaks.**

For instance, woodland is free from Inheritance Tax (IHT), which means that the tax man doesn't get his hands either on any uplift as a result of a rise in land values, which he might do, for example, on a residential property. Thirdly, woodland is, generally, cheaper than comparable parcels of agricultural land. With prices around £3,500 per acre, you get more ground for your pound, and for many investors it, therefore, represents good value.

Woodland values are influenced by several factors. Those woods with commercial potential are influenced mainly by the quality and

maturity of the trees in the compartments, the species growing within it; ease or otherwise of extraction and transportation costs to processing and market places. Timber values have recently shown a marked increase. The value of woodland appraised for its amenity might also be influenced by location and accessibility, features such as ponds or streams and the size of the parcel being sold. Woodlands with sporting rights included in the sale and with potential to be incorporated into an existing shoot or developed as a shoot in its own right also attract keen interest.

With many of these factors weighing in, Stratton & Holborow expects a strong response to its marketing of Turfery Woods near Honiton in East Devon. Formerly Forestry Commission woodland, these two attractive parcels, in lots of approximately

41 and 4 acres respectively, come on the market by instruction of The Trustees of the Yarcombe Estate. Nine miles north of Honiton and one mile west of Bishopswood village in the Blackdown Hills, Turfery Woods are in an area of outstanding natural beauty (AONB). Comprising compartments of mature Douglas Fir, Corsican Pine, Sitka Spruce and mixed broadleaves, it is likely to stir a good deal of interest.

**Charles Dixon - Exeter Office**





# New Faces

Stratton & Holborow, welcomes Amy Lowry, Philip Sara and Sophie James to the rural team. Jenny Parsons joins the Building & Design division in the Exeter office and Richard Robinson joins the Truro office.

## Sophie James



Sophie joined the Exeter office in August 2007 having recently completed a BSc Hons in Rural Enterprise and Land Management at Harper Adams University in Shropshire. Sophie was born in Devon and before returning to study to take her degree in 2004 she worked with both competition and National Hunt race horses. She also spent six months working on a 400 cow dairy unit in Dorset and carried out relief milking in Devon whilst training point to pointers and assisting in the running of her family's smallholding. Sophie enjoys a number of rural activities and will most often be found riding her horse, enjoying a day at the races or down on the North Devon coast.

## Amy Lowry



Amy graduated from The Royal Agricultural College Cirencester last year and joins Stratton & Holborow as an Assistant Land Agent. Based in the St Mellion office, she has returned to the county where she grew up and went to school. She gained work experience with the National Trust Regional Office in Bodmin; at the Eden Project Nurseries and with Lodge and Thomas during university vacations. Amy has a keen interest in listed buildings and heritage sites. Her degree year dissertation focused on the transition of the Cornwall's economy from the china clay industry to a model centred on tourism. Out of the office, you might find her engaged in a number of rural pursuits or playing the clarinet.

## Jenny Parsons



Jenny joins Stratton & Holborow Exeter Office as a trainee building surveyor. Before making a career move into Building Surveying, she took a zoology degree at Liverpool University. Jenny has gained experience in this field to date with Drew Pearce, Devon Community Housing Association and as a Technical Officer with Anchor Staying Put/Devon Care and Repair Agency.

## Phil Sara



Phil combines a Marketing and Communications role with a training in Rural Estate Management. As a mature student, he gained a Masters degree in Land Economy from Aberdeen University. Formerly a freelance consultant, Phil has worked on marketing and corporate communications projects for many companies across diverse industry sectors: Prudential, British American Tobacco, HSBC, Investec, Alcoa, Avon and Hyperlast Ltd to name a few. Originally from Gloucestershire, Phil moved to Mid Devon in 1999. He is married with two children. With a keen interest but diminishing ability in country pursuits, he bats and keeps wicket for a village cricket side.

## Richard Robinson



Richard Robinson joined Stratton & Holborow's rural division in Truro on 3rd March. After a wide ranging career, including managing a Machinery Ring and making Champagne, Richard graduated from Harper Adams in 2003 and since then has worked for UK Coal Mining Ltd in their Estates Department.

Richard will be covering all aspects of Rural Practice work for clients throughout Cornwall.

# Small Business Opportunity



The aptly named Tardis House (after Dr. Who's Police box), is being offered for sale by Stratton & Holborow of Truro. Less famous than Dr. Who it may be, yet it has gained some national media notoriety as being the smallest office in Cornwall, if not in England.

More off planet than off plan, the office is a very cosy 7ft 5 x 6 ft and provides some 44 sq ft - enough for a single person business wanting desk, chair and telephone, and it benefits from good natural light through a perspex roof. This diminutive brick building is built over the river on Wilkes Walk, nestling in the lee of Truro Cathedral and within a short walking distance of the shoppers' car park and the main retail centre.

But it's cute and practical: it has been successfully used as the base for a telephone business for the last few years and is now being offered for sale on a 125 year ground lease. Whilst small, it could suit numerous types of single person operated businesses and has that special advantage of being offered at an affordable price.

**Enquiries to John Richomme - Truro Office**

## Showtime...

Stratton & Holborow will as usual be taking stands at the Devon County Show and the Royal Cornwall Show. We welcome visitors with any queries in respect of Rural and Commercial Property or Building and Design.



**Chartered Surveyors, Construction & Property Consultants**

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