

Bright future for Southampton's port

Recent developments at its passenger terminals and ongoing proposals for its commercial offering mean the future is looking bright for Southampton's port.

As the second largest container port in the UK, Southampton plays a vital role in the UK's export activity. It is also the UK's cruise capital, handling more turnaround cruises than all other UK ports combined. It is the home port to some of the World's most famous cruise liners, including P&O's Oriana, Cunard's Queen Elizabeth 2 and the superliners Aurora and newly-docked Queen Mary 2. At 150,000 tons, the Queen Mary 2 is the world's biggest cruise liner – and the most expensive, costing £540 million to build.

The arrival of the Queen Mary 2 superliner marks the end of a year's worth of development and regeneration at Southampton's passenger terminals. To cater for the growing cruise market, £10 million was invested into the port last year. This covered the costs for the



reconstruction of the Mayflower Terminal, modernisation of the Queen Elizabeth 2 Terminal and the building of the new City Cruise Terminal, capable of berthing the largest cruise ships in service.

But the cruise sector is not the only area benefiting from increased activity. Southampton's container trade continues to grow and could receive a further boost if proposals for the

controversial new £700m Dibden Bay dock are approved. The final report, covering all aspects of the plan (including environmental and transport issues) was submitted to the Government for consideration last October. However, these plans now have competition, in the form of proposals to build another large deep-sea container port – The London Gateway – on the former Shell haven oil refinery at Stanford-le-Hope in

Essex. The Peninsular and Orient Steam Navigation Company (P&O) has applied for the redevelopment of the site, and other orders to support road, sea and rail links. The inquiry into this project ended in September and the plans are now also under consideration by Mr Prescott.

A response on both proposals is expected some time this year – we'll keep you posted.

Industry and distribution drive the market

The last quarter of 2003 may have been one of the best ever for the industrial property market.

In November alone, over 100,000 sq ft of industrial and warehouse space was let – representing about 6% of the available stock of larger units in the Southampton area, including Eastleigh and Segensworth.

With another 200,000 sq ft under offer, the market is certainly looking good for this first quarter of 2004 too.

The bulk of the 100,000 sq ft of lettings is divided between three estates. Hargreaves has let 40,000 sq ft at Unit B, Hamilton Business Park, Hedge End to Plastimo Manufacturing Ltd, a French chandlery manufacturer and

distributor, who has merged its Chandlers Ford and Eastbourne facilities.

30,240 sq ft has been let on Chalcroft Distribution Park, West End, which is close to junction 7 of the M27 motorway, to the fast-growing Online Delivery Ltd, previously at Boyatt Wood. Finally, Target Express Parcels has taken the



A new let has been taken at Chalcroft Distribution Park.

News in brief

Something to celebrate

Over 70 local business people attending a reception hosted by London Clancy's Southampton office heard how there is improving activity in the commercial property market.



The event, held at the Wild Orchid restaurant in Salisbury Street, was the third of its kind and was another success.

James Clay, Office Director, told guests: 'We expect much of the slack to be taken out of the commercial property market in this area. There's a lot of new build and regeneration due to take place in Southampton, especially in the centre. There's increasing occupier confidence and the level of new enquiries for 2004 is healthy.'

first unit at Easter and City Estates Kites Croft. Unit 6, comprising 30,075 sq ft is the first letting on the new Morley Fund Management-funded estate, adjoining the ever-popular Segensworth area, just off junction 9 of the M27 motorway.



The steady and consistent economy of this part of the south coast is once

again underpinning the commercial property market. The diversity of industrial and distribution companies in the area is the driving force behind the further 200,000 sq ft of lettings which are expected early in the New

Watch this space for further updates.

Tenants stamped by new tax

London Clancy comment

The Government's new Stamp Duty Land Tax (SDLT) will hit tenants hard, with some experiencing a four-fold increase in the tax payable on commercial property leases.

There are key differences between SDLT and its predecessor, Stamp Duty. Firstly, SDLT is a tax on transactions of land, not on the execution of documents. Secondly, the tax is compulsory, with tenants responsible for payment on commercial leases. The filing of original documents, or having them stamped, is not necessary. Instead, tenants must file a 'land transaction return' with the Inland Revenue. Finally, SDLT is charged at 1% of the net present value (NPV) of all rent payments due under a new lease. For

commercial leases under £150,000, no SDLT is due on the rental element.

In many cases, the new plans will cost tenants dear. For example, a five-year lease at £100,000 rent per year attracted a Stamp Duty of £1,000 (1% of average annual rent). The same lease under the new tax is subject to a £4,515 SDLT charge.

Sadly opportunities for avoiding duty through planning (or simple non-payment) have also been reduced, though there are a few areas where reduced duty or exemptions could apply.

If you'd like more information, or advice, please contact James Clay or Chris Ridge on 023 8033 0442.

Basingstoke update

Big opportunities in Andover

London Clancy is to sell or let two large, modern distribution/industrial buildings at Andover. Both are on Walworth Industrial Estate, the town's biggest business area. The larger of the two properties comprises over 165,000 sq ft with a massive yard and good loading area. The smaller, about 28,650 sq ft, is on South Way and has exceptional eaves height of 8.4m (27'6").

Increased demand

Maintaining the trend established in Autumn 2003, demand for both office and industrial/warehouse property has continued to increase in the first quarter of 2004, in the Basingstoke area.

Camberley update

Cement at Meadows

The British Cement Association has taken 23,000 sq ft at Building 4, The Meadows. This is the largest office letting in Camberley since Holiday Autos took 32,500 sq ft in 2000. The Meadows is a brand new development of four Grade A office buildings, three of which remain available. In a separate letting Bluecoat Systems has taken the 2nd floor (3500 sq ft) of Camberley's newest office building, MARLIN. Suites from 772 to 5204 sq ft remain available.

Dairy Walk marches on

Firbank Kempster International has expanded within Dairy Walk and taken a suite of 1800 sq ft, in place of two smaller units on the same development.

Market Data – Business Rents *

	Basingstoke		Camberley		Southampton	
	Per sq ft	Per sq m	Per sq ft	Per sq m	Per sq ft	Per sq m
Offices						
New/top quality	£14-£16	£150-£170	£22	£236	£21	£226
Modern/refurbished	£9-£14	£100-£150	£19-£20	£205-£215	£14-£15	£150-£160
Below average	£5-£9	£55-£100	£10-£13	£107-£140	£8	£85
Industrial/warehouse**						
New/top quality	£6.25-£7.50	£67-£80	£9	£97	£7	£75
Modern/refurbished	£5-£6.25	£55-£67	£7.50	£80	£5.50	£59
Below average	£3-£5	£30-£55	£5	£54	£3.50	£38

* units over 5,400 sq ft/500 sq m approx. ** where approx. 10% is office content

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